EXHIBIT 6

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     D1BPMTBC
     UNITED STATES DISTRICT COURT
 1
     SOUTHERN DISTRICT OF NEW YORK
 2
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     IN RE: METHYL TERTIARY BUTYL
                                         00 MDL 1358
     ETHER ("MTBE") PRODUCTS
 3
                                         Master File C.A.
     LIABILITY LITIGATION
 4
                                         No. 1:00-1898 (SAS)
 4
                                              04CV4973 (SAS)
 5
     -----x
 5
 6
                                          January 11, 2013
 6
                                          12:43 p.m.
 7
 7
    Before:
 8
 8
                       HON. SHIRA A. SCHEINDLIN,
 9
9
                                          District Judge
10
10
                             APPEARANCES
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          and defendants' liaison counsel
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23 BY: JEFFREY J. PARKER
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SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

D1BPMTBC APPEARANCES CONTINUED SIDLEY AUSTIN, LLP Attorneys for Defendants Duke Energy Merchants, LLC; Duke Energy Trading and marketing, LLC; Northridge Petroleum Marketing U.S., Inc.; Duke Energy Merchants California BY: JIM WEDEKING KING & SPALDING Attorney for Defendants Chevron BY: CHARLES C. CORRELL, JR. SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

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3
     D1BPMTBC
               (In open court)
 2
               (Case called)
 3
              THE COURT: Good afternoon, Miss O'Reilly.
 4
              MS. O'REILLY: Good afternoon, your Honor.
 5
              THE COURT: And Mr. Pardo.
 6
              MR. PARDO: Good afternoon, your Honor.
              THE COURT: Mr. Riccardulli.
 7
 8
              MR. RICCARDULLI: Good afternoon.
9
              THE COURT: And Mr. Wedderling, is it?
10
              MR. WEDEKING: Wedeking, your Honor.
11
              THE COURT: Can you spell that?
12
              MR. WEDEKING: W-e-d-e-k-i-n-g.
13
              THE COURT: Wedeking. Mr. Parker.
14
              MR. PARKER: Good afternoon, your Honor.
15
              THE COURT: Mr. Correll.
16
              MR. CORRELL: Good afternoon, Judge.
17
              THE COURT: Mr. Condron.
18
              MR. CONDRON: Good afternoon, your Honor.
19
              THE COURT: Mr. Connolly.
20
              MR. CONNELLY: Yes, your Honor.
21
              THE COURT: All right. I think everything that we're
22
     going to talk about today has to do with the City of Fresno
23
     case, right?
24
              MS. O'REILLY: That's correct.
25
               THE COURT: It's a one-case conference. That said, I
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42 D1BPMTBC prove that their product got to a particular station, like -- I 2 shouldn't use that, but --3 MS. O'REILLY: We --4 THE COURT: Well, no, I can't use that. 5 MS. O'REILLY: We said to Van Ness, if you look on 6 Page --7 THE COURT: Van Ness? I thought Van Ness was one of 8 the problem ones because Chevron had an exclusive supply 9 agreement, and so Duke's material couldn't have been there. 10 MS. O'REILLY: It says Duke -- on Page 3 of our 11 letter, it says: Duke Energy mixed several gas station sites, 12 received delivery, deliveries of MTBE gasoline from jobbers to 13 whom Duke Energy sold MTBE gasoline. 14 And what the evidence will show is that while there's 15 sometimes an exclusive agreement, also sometimes jobbers 16 supply, and they can do it when there's short supply or low 17 supply. It's a product tracing issue, and we feel that we have 18 sufficient evidence, and we're happy to let them test that. 19 THE COURT: It shouldn't be tested. If you've got the 20 evidence that can show it to them, like the last topic, provide 21 the evidence of product tracing because they already know my 22 ruling after that. If you can get it to the station, I at 2.3 least don't believe that they have to show it's their -- you to 24 show it's their molecule versus somebody else's molecule. If 25 it's mixed and blended right there in the station and the SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300

43 D1BPMTBC material is actually pumped and used and spilled, then that's 2 that. 3 So it really is a matter -- If she has evidence that 4 your product ended up at a particular station, there's no 5 summary judgment. 6 MR. WEDEKING: We agree, your Honor. We don't believe 7 they have any evidence showing that Duke's product actually 8 went to any of these particular stations. They can show that 9 Duke sold to a jobber, jobbers bought from many suppliers, 10 delivered to many gas stations, a gas station bought from 11 several jobbers. They have a theoretical possibility that Duke's 12 13 gasoline reached one of these stations, but a theoretical 14 possibility is not enough to defeat a summary judgment motion. 15 It would be very easy for Fresno to track Duke's product. When 16 Duke sells gasoline at the rack, it creates a bill of lading 17 showing which jobber purchased Duke's gasoline. 18 THE COURT: Yes, and she's got it to the jobber. Then 19 the jobber goes to the station. 20 MR. WEDEKING: We have not seen any of this evidence 21 from the City of Fresno. 22 THE COURT: Then take it to the next step. 2.3 MR. WEDEKING: That's correct. 24 THE COURT: In other words, she has proof of what 25 jobber it was sold to, but then she doesn't have to deliver it.

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MR. WEDEKING: That's correct, your Honor.
THE COURT: Do you have it or not? Can you trace it

to the station, Miss O'Reilly?

MS. O'REILLY: Your Honor, there are multiple methods, and what he's describing is a very discrete, direct, one-to-one-to-one paper trail.

THE COURT: No. He's just saying -- well, yes, on the jobber's delivery, not of his material. He's saying you get it to the jobber. That's interesting. Now, can you get that jobber to make a delivery to any of these stations, without worrying what's in that delivery, but did that jobber deliver?

MS. O'REILLY: I don't know -- The evidence of product delivery is voluminous; so I can't tell you off the top of my head what exactly paper trail we have. What we've done in other cases, we don't always have every bill of lading for every delivery to every station because sometimes those records are destroyed, jobbers go out of business.

But we have evidence of testimony from gas station owner. What we did in Merced, for example, if a gas station owner/operator says I bought from X jobber on these years, multiple times in a week. We have the jobber testifying, I delivered to this station multiple times a week; I picked up my gasoline at this terminal from this supplier.

THE COURT: That sounds good to me. It seems like, Mr = -

25 Mr --

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MR. WEDEKING: Wedeking, your Honor.

2.3

THE COURT: -- Wedeking -- well, if you'd written it in the first place, I'd be able to say it -- doesn't really understand what your proof is until you lay it out to him. But let's go to some of these, a couple of these specifics. Two-layer Exxon Beacon No. 3519 and Beacon No. 615. They say that you only allege that Duke sold MTBE to these sites after they removed their tanks.

MS. O'REILLY: Your Honor, with respect to those stations, we make the point -- and I think that claim of they removed their tanks is disingenuous because in California many stations removed their tanks and replaced them.

THE COURT: Yeah, but they're saying one -- I thought they said --

MS. O'REILLY: There's one station, Cary Oil, where we agree that they didn't replace their tanks.

THE COURT: That's right. I thought there was others about after the replacement, there's no proof of delivery.

MS. O'REILLY: If you look on Page 3 of our brief, we ship to Exxon and several of the Beacons, that those stations -- if you look right there, it says that the tanks were removed and replaced. And it says Duke's claims for these three sites are based on the unsupported assumption that releases only occurred before the date of tank removal. Unlike the Smith Tank Lines, Cary Oil sites, however, these three SOUTHERN DISTRICT REPORTERS, P.C.

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46 D1BPMTBC sites had new tanks installed and then continued operating as 2 gas stations. That's on Page 3. 3 THE COURT: That's too much material. I'm not going 4 there. Anyway, I'm looking at my summary notes. One second. 5 MS. O'REILLY: Okay. 6 THE COURT: Okay. Here's one. In the reply letter of 7 Duke, they talk about a case where you say there might have 8 been MTB detection after the new tanks were installed. If 9 that's it, that's not good enough, that "there might have been a detection after." There either was or there wasn't after the 10 11 new tanks were installed. 12 And they say, to be more specific, that your expert, 13 Mr. Norman, never identified a release at these particular 14 stations after the 1998 and 1999 tanks were removed. 15 MS. O'REILLY: Mr. Norman is not our release expert. 16 Mr. Marcel Moreau is our release expert. 17 THE COURT: Did he identify a release at those 18 stations after the tank removals of '98 and '99? 19 MR. WEDEKING: I will assert, your Honor, that he did 20 not. 21 THE COURT: Okay. If he did not, then it doesn't 22 matter what you have after the new tanks are installed because 2.3 you don't have a release. So whether they were or not is kind 24 of irrelevant. I am telling you that it may reach the point 25 where the years of patience runs out.

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If you make me look at motions which you can't win, then I'm going to sanction somebody because the sanction is basically saying enough is enough. My time is too valuable. If you know you don't have a case of a particular site against particular defendant, let the defendant out. So I've given what guidance I can here on this Duke issue. This one defendant. It's been very specific, and I think we've discussed now, we've clarified the product tracing and the commingling.

I've agreed with you, Miss O'Reilly, to some extent. If you can get it to the station and there's a release, he doesn't have to prove whose molecule caused that. Now, he knows that, don't bother moving. I'm telling you that. They're saying they can't get my stuff to the station, where there's a release, and if you can prove that, you win the summary judgment.

So I'm going to ask you again to be on this slow motion schedule that we just worked out for the nuisance issue. Do the same thing for this with respect to Duke. Figure out what proof you have, meet and confer, and then you'll brief it. All right?

MS. O'REILLY: Thank you, your Honor.

THE COURT: Now, I've put off until last the statute of limitations because this is just a lot of work, too. And again, I sense no flexibility here, but let's start with the SOUTHERN DISTRICT REPORTERS, P.C.

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EXHIBIT 7

Page 1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re: Methyl Tertiary Butyl

Ether ("MTBE") MDL NO. 1358 (SAS)

Products Liability Litigation

This Document Relates To:

City of Fresno v. Chevron U.S.A., Inc., et al.,

Case No. 04 Civ 4973 (SAS)

VIDEOTAPED DEPOSITION OF MARCEL G. MOREAU

VOLUME I

April 4, 2012

Deposition of Marcel G. Moreau,

Volume I, Plaintiff City of Fresno's designated

Expert Witness, on April 4, 2012, held at the

Marriott at Sable Oaks, 200 Sable Oaks Drive,

South Portland, Maine, beginning at 9:06 a.m.,

before Maryellen Coughlin, RPR/CRR.

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2 (Pages 2 to 5)

1	Page 6	Page 8				
	INDEX	1	MR. PEREZ: Ed Perez with Bracewell			
2		2	& Giuliani for the Valero defendants.			
3	WITNESS: MARCEL G. MOREAU	3	MS. RADOVICH: Joan Radovich with			
4	WITH LESS. IM INCOLE G. WORLING	4	Eimer Stahl, LLC for Citgo Petroleum Corporation			
5	EXAMINATION: Page	5	THE VIDEOGRAPHER: Anyone else of			
6	BY MR. STACK 8	6	the phone?			
7		7	The court reporter is Maryellen			
8		8	Coughlin and will now swear in the witness.			
9	EXHIBITS FOR IDENTIFICATION:	9	g			
10	No. Description Page	10	MARCEL G. MOREAU,			
11	1 Curriculum Vitae of 26	11	having been first duly sworn, was examined			
12	Marcel G. Moreau	12	and testified as follows:			
13	(PEXP-FRESNO-MOREAU-000008 - 24)	13	and testified as follows.			
14	2 Site plan for Chevron 30	14	EXAMINATION			
15	Station 9-4374	15	BY MR. STACK:			
16	3 Summary pages 18 and 19 of 43 for 32	16	Q. Please state your name for the			
17	Exxon, 4594 East Tulare, Fresno	17	record?			
18	4 Expert of Marcel Moreau City of 66	18	A. Marcel Gilbert Moreau.			
19	Fresno vs. Chevron U.S.A Inc.,	19	Q. And what is your business address			
20	Et al	20	for purposes of this litigation?			
21	5 Expert Rebuttal Report of Marcel 66	21	A. 73 Bell Street in Portland, Maine			
22	Moreau City of Fresno vs. Chevron	22	04103.			
23	U.S.A. Inc., et al	23	Q. With regard to the work that you			
24	6 Expert Site Specific Report of 163	24	performed in this case, did you perform it			
25	Marcel Moreau	25	through a business entity like a corporation or			
23		23	· · ·			
	Page 7		Page 9			
1	PROCEEDINGS	1	other business form? Do you have a company?			
2		2	A. Yes, I do.			
3	THE VIDEOGRAPHER: We are now on	3	Q. What is the company?			
4	the record. My name is Wesley Hicks. I'm a	4	A. Marcel Moreau Associates.			
5	videographer for Golkow Technologies. Today's	5	Q. And with regard to that company,			
6	date is April 4th, 2012, and the time is 9:06	6	how many employees do you currently have?			
7	a.m.	7	A. Counting myself, there's two of us.			
8	This video deposition is being held	8	Q. And with respect to the work that			
^	in Portland, Maine in the matter in re: MTBE	9	you performed in this case, did you at any time			
9	Products Liability Litigation in the matter of	10	retain the services of a subcontractor to assist			
10						
10 11	City of Fresno versus Chevron U.S.A., Inc.,	11	you in performing your work?			
10 11 12	et al., Case No. 04 CIV 4973 (SAS) for the United	12	A. I believe we did.			
10 11 12 13	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New	12 13	A. I believe we did. Q. And with regard to your			
10 11 12 13 14	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel	12 13 14	A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you			
10 11 12 13 14 15	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel please voice identify yourselves.	12 13 14 15	A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you retained?			
10 11 12 13 14 15	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel please voice identify yourselves. MS. O'REILLY: Tracey O'Reilly,	12 13 14 15 16	A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you retained? A. Christina Ferland.			
10 11 12 13 14 15 16 17	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel please voice identify yourselves. MS. O'REILLY: Tracey O'Reilly, Miller Axline & Sawyer for plaintiff City of	12 13 14 15 16 17	 A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you retained? A. Christina Ferland. Q. And this individual worked for you 			
10 11 12 13 14 15 16 17	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel please voice identify yourselves. MS. O'REILLY: Tracey O'Reilly, Miller Axline & Sawyer for plaintiff City of Fresno and the witness.	12 13 14 15 16 17 18	A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you retained? A. Christina Ferland. Q. And this individual worked for you performing what tasks?			
10 11 12 13 14 15 16 17 18	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel please voice identify yourselves. MS. O'REILLY: Tracey O'Reilly, Miller Axline & Sawyer for plaintiff City of Fresno and the witness. MR. ANDERSON: Jeremiah Anderson	12 13 14 15 16 17 18	A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you retained? A. Christina Ferland. Q. And this individual worked for you performing what tasks? A. As best I can recall, she was			
10 11 12 13 14 15 16 17 18 19	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel please voice identify yourselves. MS. O'REILLY: Tracey O'Reilly, Miller Axline & Sawyer for plaintiff City of Fresno and the witness. MR. ANDERSON: Jeremiah Anderson for the Chevron and Unocal defendants.	12 13 14 15 16 17 18 19 20	A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you retained? A. Christina Ferland. Q. And this individual worked for you performing what tasks? A. As best I can recall, she was involved in some cases in the initial review of			
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10 11 12 13 14 15 16 17 18 19 20 21 22	et al., Case No. 04 CIV 4973 (SAS) for the United States District Court, Southern District of New York. The deponent is Marcel G. Moreau. Counsel please voice identify yourselves. MS. O'REILLY: Tracey O'Reilly, Miller Axline & Sawyer for plaintiff City of Fresno and the witness. MR. ANDERSON: Jeremiah Anderson for the Chevron and Unocal defendants. MR. DiCHELLO: John DiChello of Blank Rome for Lydonell Chemical Company.	12 13 14 15 16 17 18 19 20 21 22	A. I believe we did. Q. And with regard to your subcontractor, who was the subcontractor that you retained? A. Christina Ferland. Q. And this individual worked for you performing what tasks? A. As best I can recall, she was involved in some cases in the initial review of documents that were produced, and in a number of instances, she produced a draft of the I guess			

3 (Pages 6 to 9)

Page 186 Page 188 1 formed in this case, is it your opinion that a 1 I don't have any record specific to 2 a spill bucket, and I don't see any permit 2 leak into the environment occurred after 1998 3 3 applications. A permit would have been required from the containment sumps in the vicinity of the 4 if the work was done. I don't know exactly when 4 dispenser area? 5 5 that would have started. Sometime in the early We don't have any post '98 soil 6 6 sampling results from underneath the dispensers. '90s, if not sooner. So the available evidence 7 7 So we have identified some instances when there indicates or doesn't indicate that a spill bucket 8 8 was added to this facility in the 1990 time frame were releases from within the dispenser cabinet. 9 9 or any time in the 1990's. I'm not able to establish whether those releases 10 10 So there is soil contamination in were successfully contained or whether they made O. 11 11 the vicinity of the tank area, and the precise it into the environment. 12 For the period prior to 1998, do 12 cause of that contamination cannot be identified 13 because of the lack of documentation in the 13 you have any maintenance records indicating that 14 14 maintenance was performed and leaks were observed records as they exist today? 15 MS. O'REILLY: Vague and ambiguous. 15 at the dispensers at the Red Triangle facility? 16 16 MS. O'REILLY: Asked and answered. Go ahead. 17 17 A. This was leaks in dispensers and As far as the records that I have A. 18 reviewed, there are no records that point to 18 piping? 19 19 specific releases associated with what I would O. It's for the period 19 -- prior to 20 20 call the tank area. There is contaminated soil, 1998, do you have any records indicating that maintenance was performed and leaks were observed 21 so something happened in the area. The records 21 22 22 of what those events might be are not present in at the dispensers at the Red Triangle facility? 23 23 the record. A. Yes. 24 O. With regard to the piping and 24 Q. And what records do you have? 25 dispenser area releases, there is a reference to 25 A. If we look at the document listing, Page 187 Page 189 1 an inspection in August of 2000 where evidence of 1 Page 11 of 22, the bottom entry. 2 fuel releases were found in the dispenser 2 O. I'm with you. 3 containment sumps with an active leak in one 3 There's an indication that there 4 4 was a leak in a union at a sump found as well as dispenser. 5 5 Are the dispenser containment sumps the plug above the impact valve, the bottom 6 referred to on Page 5 of 6 of your report for the 6 language. 7 7 Red Triangle facility under pan -- pardon me --Q. And this is in August of 1998? 8 8 under dispenser pans which contain leaks from the I have it as June of '98. A. 9 dispensers and prevent them from entering the 9 O. Okay. 10 10 environment? Wait a minute. Wait a minute. 11 MS. O'REILLY: Assumes facts, lacks 11 Yeah, the general entry is June of '98, but the 12 foundation. Go ahead. 12 specific reference appears to be an August '98 13 The purpose of a dispenser pan is 13 event. 14 to capture releases from the -- any of the 14 And the August '98 event that's Q. 15 dispenser components above the dispenser pan. 15 described is for a release of diesel product; am 16 It's not uncommon for dispenser pans to not be 16 I correct? 17 liquid tight, even though that's what they're 17 A. That specific incident was for 18 18 suppose to do. In cases such as this, I would diesel, that's correct. 19 19 look for testing records that would establish the Are there any records of O. integrity of the dispenser pan. In this 20 20 maintenance having occurred at the facility prior 21 particular case, we were not able to find or we 21 to 19 -- in or prior to 1998 which indicated that 22 22 did not have any testing records for the leaks were observed in the dispensers with 23 containment sump, so we don't know whether that 23 gasoline being the product released? 24 24 sump was liquid tight or not. MS. O'REILLY: Asked and answered. 25 With regard to the opinions you've 25 For the period 1998 and before,

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Page 198 Page 200 1 O. Is there any evidence to indicate 1 evidence, I don't think I have -- I don't have an 2 that the tanks at the Red Triangle facility prior 2 opinion as to whether or not there were releases 3 3 to 1998 failed a integrity test? from the post-'98 storage system. 4 4 All the test records that we Was there any evidence that you 5 5 reviewed from the 1990's had a passing test reviewed in this case that prior to 1998 there 6 6 was documentation indicating there were repairs result. 7 With respect to the tanks installed 7 or replacement of a leaking STP at the Red O. 8 8 in '98, were there any tests indicating that the Triangle station? 9 9 post '98 tank field experience, or post '98 tanks MS. O'REILLY: Same objections, 10 10 experienced any failures of integrity tests? vague and ambiguous. 11 MS. O'REILLY: Vague and ambiguous. 11 There were few, if any, what I 12 I believe the only test results we 12 would call maintenance or repair records present 13 have were the installation testing of the tanks, 13 in the file for the pre-1998 period, so I don't 14 14 and it appears the tanks passed the tests in have any specific repair records, but releases from STPs are fairly common occurrences. 15 15 September of '98. 16 16 Did you see any URR reporting that Prior to 1998, are there any 17 documents indicating that any of the product 17 there had been a release from any STP prior to 18 lines or associated equipment failed an integrity 18 1998 at the Red Triangle facility? 19 19 MS. O'REILLY: Assumes facts. Go 20 A. Prior to 1998, there's no 20 ahead. 21 indication of a failed tightness test on the 21 I believe I've already indicated A. 22 22 lines. That test would not have included, most that we don't have any URRs for the Red Triangle 23 likely would not have included the STPs or the 23 facility, at least not in the documents that we 24 dispensers, however. 24 reviewed. That doesn't mean that releases didn't 25 With regard to the period after 25 Q. occur, just that they weren't reported. Page 199 Page 201 1 1 With regard to the STPs prior to 1998 and the new tanks were installed, were there 2 any tests indicating that the product lines 2 1998, when the tank system was replaced, was 3 failed an integrity test after 1998? 3 there any documentation of the removal of 4 It appears they may have had some 4 contaminated or saturated soils in the vicinity 5 5 of the STPs at this facility? issues passing the original tightness test in 6 September of '98, but I don't believe we have any 6 MS. O'REILLY: Vague and ambiguous. 7 tightness test results after that date. 7 We have a statement that some A. 8 8 Based on your review of the records petroleum hydrocarbon odors were noted from the 9 9 tank pit at the west end of the pit under the in this case, is it your opinion that there was a 10 release from the new tank system with secondary 10 gasoline tanks, and this is for the December 28th 11 containment installed after 1998? 11 UST removal report, so this is the tank that was 12 12 removed in December of '98. What I don't have MS. O'REILLY: Vague and ambiguous, 13 overbroad. 13 is, or at least I'm not recalling whether I have 14 14 A. I don't believe we have any soil a diagram that indicates which end of the tanks 15 information, soil contaminant, or let me see. We 15 the STPs for that particular tank field were 16 don't have any soil samples taken after 1998 from 16 located. So we have indications of contamination 17 relevant areas that would reveal whether there 17 at one end of the tanks. I would need do some 18 were post-1998 releases, so I can't say whether 18 research to determine whether that was the STP --19 19 whether that was the end of the tanks where the or not we have evidence of that. 20 20 Is it your opinion, though, that STPs were located. 21 there were releases from the 1998 installed tank 21 And looking at your report, there 22 22 are some 1998 graphics for the Red Triangle system? 23 MS. O'REILLY: Asked and answered. 23 facility, and specifically we are referring to 24 RWQCB-FRESNO-009928 and 009936. Go ahead. 24 25 I would say given the lack of 25 Are those the only graphics that A.

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Page 202 Page 204 1 you have from Parker Environmental or any other 1 first diagram. 2 consultant or agency illustrating the location of 2 Q. Okay. I got it. 3 the tanks at the Red Triangle facility that were 3 A. You got it? 4 removed in December 1998? 4 O. That would be RWQCB-FRESNO-010508? 5 5 MS. O'REILLY: Vague and ambiguous, A. Correct. So my understanding of 6 6 this facility is that in the lower left corner of overbroad. Go ahead. 7 I would say those are probably not 7 that diagram there was essentially a retail fuel 8 the only graphics. Having gone through this 8 facility that contained some storage tanks and 9 9 exercise in other cases, I determined that it dispensers, and then sort of in the middle of 10 10 would be helpful to have some diagrams when we that diagram there's a dotted line that says 11 11 were going through our deposition, and so as I "Former UST Locations," and those would be the 12 12 ones that contained gasoline, diesel, and I think was reviewing documents, I would select out 13 graphics, primarily ones that showed soil sample 13 weed oil in one of those tanks. I believe the 14 locations. So these are just not quite random, 14 releases from the tanks that I was describing 15 but they're selections of the graphics that were 15 earlier are the ones from the non-retail side of 16 available. 16 the facility, the ones that would be in the 17 17 If I were trying to identify the middle of that diagram. So in my mind, they were 18 location of an STP. I would first start with some 18 distinguished as retail and non-retail. 19 19 of the tank test records that we have, 'cause And the non-retail were used for 20 20 those often times include a diagram of the site fueling a fleet of vehicles? 21 and would indicate where the STPs might be 21 It was never clear to me what they 22 22 were used for. They didn't particularly appear located. 23 23 to be associated with dispensers. I couldn't And do you have any of those in 24 your collection of documents that reflect the 24 quite determine what exactly those tanks were 25 location of the submerged turbine pumps on this 25 used for, whether this was a bulk plant of some Page 203 Page 205 1 1 kind or a repackaging facility of some kind or particular tank field? 2 MS. O'REILLY: Asked and answered. 2 what was going on. 3 Go head. 3 With regard to the Red Triangle 4 They may be present in my hard 4 facility, did you have any information by which 5 5 you could estimate the volume of gasoline sold at drive, but I would need to go look them up. 6 And with respect to the reference 6 this facility prior to 1998 on an annual basis? 7 7 to this particular facility and tank field, are A. From the retail or non-retail or 8 8 you talking about the UST removal at 2808 South either? 9 Chestnut or are you referring to the removal at 9 O. Either. 10 the adjacent facility? 'Cause there were two, 10 Based on my recent review of the 11 document listing, it doesn't appear that -- oh, correct? 11 12 MS. O'REILLY: Okay. There are 12 wait a minute. 13 We had some inventory quarterly, two, Bill, but I think they're at the same 13 14 address. Why don't you have him explain his 14 the quarterly inventory reconciliation documents 15 report. 15 that were submitted in the early '90s for this 16 More importantly, it's just when 16 facility. I would go there first to see if they Q. you made reference to this notation, do you know 17 17 had some through-put information, but I don't which tank field they were talking about, was it 18 18 have any on the top of my head. 19 the one just with the gasoline tanks or is it the 19 With respect to the work that you O. 20 location where they had a combination of kerosene 20 did in this case, did you determine what the 21 and diesel and gasoline? 21 allowable stock loss tolerance would be for the 22 22 A. If you look just a couple pages tanks that were in use at the facility prior to 23 23 1998, either retail or non-retail? ahead. 24 24 Q. Okay. A. What the inventory tolerance might 25 There's a diagram right -- the very 25 be? A.

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1	INSTRUCTIONS TO WITNESS	1	ACKNOWLEDGMENT OF DEPONENT
2		2 3	
3	Please read your deposition over	3	I,, do hereby certify that I have read the foregoing
4 5	carefully and make any necessary corrections. You should state the reason in the appropriate	4	pages, and that the same is a correct transcription of the answers given by me to the
6	space on the errata sheet for any corrections	5	questions therein propounded, except for the
7	that are made.	6	corrections or changes in form or substance, if any, noted in the attached Errata Sheet.
8	After doing so, please sign the errata	7	any, noted in the attached Errata Sheet.
9	sheet and date it. It will be attached to your	8	MARCEL G. MOREAU DATE
10 11	deposition.	9	MARCEL G. MOREAU DATE
12	It is imperative that you return the original errata sheet to the deposing attorney	10	
13	within thirty (30) days of receipt of the	11 12	
14	deposition transcript by you. If you fail to do	13	
15	so, the deposition transcript may be deemed to	14 15	Subscribed and sworn
16	be accurate and may be used in court.		To before me this
17 18		16 17	day of, 20 My commission expires:
19		18	171y commission expires.
20		19	Notary Public
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	Page 239	23	Page 241
1	- 350	1	LAWYER'S NOTES
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UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

IN RE: METHYL TERTIARY BUTYL

ETHER ("MTBE") MDL No. 1358

Products Liability Litigation (SAS)

This Document Relates to:

CITY OF FRESNO V. CHEVRON, U.S.A., INC., et al., Case No. 04 Civ 4973 (SAS)

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WEDNESDAY, APRIL 11, 2012

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Videotaped Deposition of MARCEL G. MOREAU, Expert Witness, Volume IV, held at the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, beginning at 8:59 a.m., before Sandra Bunch VanderPol, FAPR, RMR, CRR, CSR #3032

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1	APPEARANCES:	1	INDEX
2	MILLER, AXLINE & SAWYER, P.C.	2	Examination by: Page
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10 11	Counsel for BP OIL COMPANY		DEPOSITION OF MARCEL G. MOREAU
	BLANK ROME, LLP	9	WEDNESDAY, APRIL 11, 2012
12	JOHN J. DiCHELLO, Esq. (Telephonically) One Logan Square, 130 N 18th Street	10	Exhibit # Description Page
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25	Counsel for Defendants VALERO ENERGY CORPORATION AND TOTAL PETROCHEMICALS USA	25	
	Page 706		Page 708
1 2	APPEARANCES (Continued)	1	BE IT REMEMBERED that on Wednesday, the 11th day
2	SEDGWICK, LLP SCOTT D. MROZ, Esq.	2	of A 1 2012
3			of April, 2012, commencing at the hour of 8:59 a.m. in
	333 Bush Street, 30th Floor	3	the Law Offices of Sheppard Mullin Richter & Hampton,
4	San Francisco, California (415) 781-7900	3 4	the Law Offices of Sheppard Mullin Richter & Hampton,
4	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com	4	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco,
	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com Counsel for Defendant SHELL OIL COMPANY	4 5	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, before me, Sandra Bunch VanderPol, a
4 5	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com Counsel for Defendant SHELL OIL COMPANY LeCLAIR RYAN	4 5 6	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, before me, Sandra Bunch VanderPol, a Certified Shorthand Reporter in and for the State of
4 5 6 7	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com Counsel for Defendant SHELL OIL COMPANY LeCLAIR RYAN RACHEL WINTTERLE, Esq. (Telephonically) 44 Montgomery Street, 18th Floor	4 5 6 7	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, before me, Sandra Bunch VanderPol, a Certified Shorthand Reporter in and for the State of California, personally appeared
4 5 6 7 8	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com Counsel for Defendant SHELL OIL COMPANY LeCLAIR RYAN RACHEL WINTTERLE, Esq. (Telephonically) 44 Montgomery Street, 18th Floor San Francisco, California 94104 (415) 913-4915	4 5 6 7 8	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, before me, Sandra Bunch VanderPol, a Certified Shorthand Reporter in and for the State of California, personally appeared MARCEL G. MOREAU,
4 5 6 7	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com Counsel for Defendant SHELL OIL COMPANY LeCLAIR RYAN RACHEL WINTTERLE, Esq. (Telephonically) 44 Montgomery Street, 18th Floor San Francisco, California 94104 (415) 913-4915 rachel.wintterle@leclairryan.com	4 5 6 7 8 9	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, before me, Sandra Bunch VanderPol, a Certified Shorthand Reporter in and for the State of California, personally appeared MARCEL G. MOREAU, called as an expert witness herein, who, having been
4 5 6 7 8 9	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com Counsel for Defendant SHELL OIL COMPANY LeCLAIR RYAN RACHEL WINTTERLE, Esq. (Telephonically) 44 Montgomery Street, 18th Floor San Francisco, California 94104 (415) 913-4915 rachel.wintterle@leclairryan.com For Defendant NELLA OIL PRODUCTS	4 5 6 7 8 9	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, before me, Sandra Bunch VanderPol, a Certified Shorthand Reporter in and for the State of California, personally appeared MARCEL G. MOREAU, called as an expert witness herein, who, having been duly sworn, was thereupon examined and interrogated as
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4 5 6 7 8 9 10 11 12 13 14 15	San Francisco, California (415) 781-7900 scott.mroz@sedgwicklaw.com Counsel for Defendant SHELL OIL COMPANY LeCLAIR RYAN RACHEL WINTTERLE, Esq. (Telephonically) 44 Montgomery Street, 18th Floor San Francisco, California 94104 (415) 913-4915 rachel.wintterle@leclairryan.com For Defendant NELLA OIL PRODUCTS GORDON & REES, LLP By: BRIAN LEDGER, Esq. (Telephonically) bledger@gordonres.com 101 W. Broadway, Suite 2000 San Diego, California 92101 (619) 696-6700 For Defendant KERN OIL & REFINING BINGHAM McCUTCHEN, LLP	4 5 6 7 8 9 10 11 12 13 14	the Law Offices of Sheppard Mullin Richter & Hampton, Four Embarcadero, 17th Floor, San Francisco, California, before me, Sandra Bunch VanderPol, a Certified Shorthand Reporter in and for the State of California, personally appeared MARCEL G. MOREAU, called as an expert witness herein, who, having been duly sworn, was thereupon examined and interrogated as hereinafter set forth. o0o THE VIDEOGRAPHER: Today's date is April 11th, 2012, and the time is 8:59 a.m. This
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2 (Pages 705 to 708)

Page 773 Page 775 1 California gasoline. 1 other to have been the source of the release? 2 So June of '98 would be the last time or the 2 MS. O'REILLY: Vague and ambiguous. 3 3 last event where evidence of a release was Overbroad. 4 4 discovered -- of gasoline that contained MTBE. THE WITNESS: In general, I would say that 5 5 BY MR. PÉREZ: the submersible pump and adjacent piping is likely --6 б is more likely to be a significant source of release Q. And with respect to the January of 7 7 2009 and January 2010 releases that you just or a more significant source than a delivery spill. 8 8 mentioned, you state for both of those, quote, "This I need to go and look up the soil sample 9 9 release likely did not contribute to the MTBE results, if you wanted to get more specific than that 10 10 contamination at this facility," closed quote. for this specific site. 11 Correct? 11 MR. PÉREZ: Not necessary. 12 Q. For all -- for any of the releases 12 Well, the first part of that sentence 13 is, "MTBE should not have been present in California 13 that you discussed in the "Identification of MTBE motor fuel in 2010." One of them should have said 14 14 Releases" section, were you able to calculate the 15 15 209 (sic). volume of the release? 16 So this release likely did not contribute to 16 A. At this site? 17 the MTBE contamination at this facility, that's 17 Q. Yes. 18 18 MS. O'REILLY: Vague and ambiguous. correct. 19 19 And this is a case where in the THE WITNESS: Except for the customer spill 20 "Customer Spill" section you do mention a specific 20 in August of 2005, the volume released was not able 21 customer release occurring in August of 2005, 21 to be determined for the other release incident or 22 22 correct? for the evidence of releases that was discovered at 23 That is correct. 23 various times. Α. 24 Q. And that was also after the time that 24 BY MR. PEREZ: 25 MTBE was no longer in use in California gasoline, 25 Q. Were you able to determine the Page 774 Page 776 duration of any of the releases that you identified 1 right? 1 2 A. It should not have been present in 2 for this site? 3 the gasoline, that's correct. 3 A. For the active release discovered in 4 Q. For this site did you consider the 4 June of '94, the statement in the report is that, 5 possibility that any off-site source could have 5 "When the leak began is not known." So we were not 6 contributed to the presence of MTBE at the site? 6 able to establish a start point for that release. 7 7 Again, the thrust of our And then for the other evidence of releases, 8 8 investigation was to determine whether releases had the statement is that the releases were likely 9 occurred at the storage systems at this particular 9 intermittent. 10 10 Q. On page 3 of 5, September --11 In this particular case, there was ample 11 September 27th, 1998 entry you note that, "The Tank 12 evidence of soil contamination immediately adjacent 12 Closure Report indicated that the tanks removed were 13 to the storage systems, well above the water table. 13 in good condition and there were no holes or pitting 14 So I did not feel the need to investigate whether 14 observed in any of the USTs." Do you see that? 15 15 off-site sources of contamination may have A. I see that, yes. Q. Does that indicate to you that there 16 contributed to the contamination at this site. 16 17 17 Q. On page 4 of 5, with respect to the was never a release from the tanks themselves at this 18 18 June of 1998 release discussed in the last paragraph; site? 19 do you see that? 19 MS. O'REILLY: Vague and ambiguous. 20 20 A. I do. Overbroad. 21 21 You mention possible sources of that THE WITNESS: As I've discussed before, the 22 release being delivery spills or leaks from the 22 type of observations that are made during tank 23 submersible pump or adjacent piping. Do you have any 23 removal are typically very cursory. So I take this 24 24 to be an indication that there was no obvious holes opinion with respect to which of those two possible 25 sources that you mention is more likely than the in the tank from the outside.

19 (Pages 773 to 776)

Page 777 Page 779 1 I would point out that internal corrosion 1 release incidents, I was not able to determine the 2 holes are very difficult to spot. So the indications 2 start of the release for any of those incidents that 3 3 are that there were no holes observed when these were identified. 4 tanks were removed. I wouldn't go so far to say that 4 With regard to the evidence of a release 5 the tanks themselves never leaked. 5 provided by soil contamination, the report states 6 BY MR. PÉREZ: 6 that the releases were likely intermittent. 7 7 Q. Let's go on to the next site, please, BY MR. PÉREZ: 8 8 which is Fresno Valley Gas. If you could look at the Q. And were you able to identify the 9 9 Site Specific Report you prepared for that site. source for any of the releases you identified in this 10 10 It's located at 2139 South Elm Street in Fresno. section for this site? 11 A. I have that. 11 A. There were a number of sources 12 12 Q. Looking at the "Identification of identified. Do you want to go through the list? 13 MTBE Releases" section, would you agree that among 13 Q. Sure. 14 the releases discussed here in both the "Tank Area 14 In August of '89, the unleaded 15 Releases" and the "Piping and Dispenser Area 15 turbine pump was observed to be leaking. A fill 16 Releases" section, for those releases prior to 1992, 16 riser was found to be leaking in April of 1992. The 17 none of those contributed to the presence of MTBE at 17 specific tank is not identified. Piping and 18 the site; is that correct? 18 dispensers 4 and 6 were observed to be leaking in 19 19 MS. O'REILLY: Misstates the document. August of '89. 20 20 Vague and ambiguous. A piping leak was identified in the Premium 21 THE WITNESS: There's several actual release 21 dispenser in October of 1990. A piping leak in a 22 22 incidents -- or active releases that were discovered dispenser riser, the particular dispenser is not 23 23 in the time period before 1992. And the statement identified, was observed in April of 1992. A leak in 24 associated with those in the report is that MTBE was 24 the Unleaded piping was repaired in August of 1999. 25 not commonly present in California gasoline in --25 A piping leak near the southern dispenser islands was Page 778 Page 780 1 1 insert the appropriate date -- but it would be before repaired in November of '99. 2 the fall of 1992. So it's unlikely that this release 2 I think that's it for the actual releases 3 contributed to the MTBE contamination at this 3 that were identified. 4 facility. 4 Q. Do you have any opinions regarding 5 5 So without having specific information about the occurrence of a release at this site between the 6 a gasoline supplier, sort of the default opinion is б fall of 1992 and August of 1999? 7 that a release of MTBE was unlikely prior to the fall 7 MS. O'REILLY: Vague. Ambiguous. 8 8 of '92. Overbroad. 9 BY MR. PÉREZ: 9 BY MR. PÉREZ: 10 Q. If you look on page 4 of 5, just to 10 Q. For any of the releases discussed in 11 the "Identification of MTBE Releases" section for 11 help you answer the question. Under the "Piping and 12 this site, were you able to determine the volume of 12 Dispenser Area Releases," the third paragraph talks 13 the release? 13 about a spill in April of 1992. And you have stated 14 14 earlier that MTBE was not commonly present in MS. O'REILLY: Asked and answered. Vague 15 15 California gasoline beginning in the fall of 1992, and ambiguous. 16 16 Go ahead. correct? 17 THE WITNESS: A specific volume for any of 17 And the next paragraph talks about a release 18 18 the releases or any of the evidence of releases that or a line leak repair in August of '89. 19 19 was discovered could not be determined with the So in between those two incidents, do you 20 20 documentation that was provided. have any opinion regarding the occurrence of any 21 21 BY MR. PÉREZ: release in that time frame? 22 22 Q. Were you able to determine the MS. O'REILLY: Vague. Ambiguous. 23 duration of any of these releases? 23 Overbroad. Asked and answered. 24 MS. O'REILLY: Same objections. 24 THE WITNESS: The documented release 25 THE WITNESS: With regard to the actual 25 incidents are -- or there's a gap in the documented

Marcel G. Moreau Page 797 Page 799 MS. O'REILLY: Vague and ambiguous. 1 1 were removed in 1999." Do you see that sentence? 2 BY MR. PÉREZ: 2 A. I see that sentence, yes. 3 3 Q. Also excluding the September 2003 Q. Did I read it correctly? 4 fuel piping release that we discussed earlier. 4 A. You did. 5 MS. O'REILLY: Same objections. 5 Q. Do you have any opinion regarding 6 THE WITNESS: Are we on the Gas 4 Less site? 6 whether it's more likely that any releases during 7 MR. PÉREZ: Yes. 7 that time frame occurred in the beginning of that 8 8 THE WITNESS: We talked about a September time period -- say between 1992 and 1995 -- as 9 9 2003 release already? opposed to the end of that time period between '96 BY MR. PÉREZ: 10 10 and '99? 11 Q. We talked about that release of one 11 MS. O'REILLY: Vague and ambiguous. 12 12 gallon --Overbroad. 13 A. Oh. 13 THE WITNESS: There was an investigation 14 14 conducted in, it looks to be October 1995. There was Q. -- that's in the last paragraph of 15 the piping and dispenser sentence? 15 no analysis done for MTBE at that time. There 16 A. Sorry. That is correct. 16 appeared to have been some releases that occurred by 17 Obviously you've already discussed 17 that time. Q. 18 the source of that one. 18 But without specific analysis for MTBE, I 19 19 A. Right. couldn't have any opinion -- I can't offer any 20 20 Other than the September 2003 incident, the opinion as to whether MTBE releases occurred more 21 evidence comes from -- what we have is evidence of a 21 likely that, you know, prior to '95 or after '95. 22 BY MR. PÉREZ: 22 release rather than description of actual release 23 23 events. So the sources of the release in the tank Q. And I take it your answer would be 24 area would have been delivery spills, leaks from tank 24 the same for the releases discussed in the first 25 top fittings, and leaks from submersible pumps and 25 paragraph of the piping and dispenser area releases, Page 798 Page 800 1 1 adjacent piping. And releases from the piping and 2 dispenser area would be from dispenser components 2 time period? 3 and/or adjacent piping. 3 A. With the information that I have 4 4 But I don't have a -- I can't be more available and my expertise which is in storage 5 5 specific with it. 6 Q. And for any of the releases described 6 opinions, but from where I'm sitting, I can't offer 7 in the "Identification of Releases" section, were you 7 8 8

able to determine the duration of the release?

MS. O'REILLY: Misstates the document. Vague and ambiguous.

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THE WITNESS: I was not able to determine a specific duration of a release. The opinion stated is that the releases were likely intermittent. BY MR. PÉREZ:

Q. Let's briefly turn to the Exxon Tulare site, and I just have a few brief questions on that, following up on Mr. Stack's questioning.

In the "Identification of MTBE Releases" section for the Exxon Tulare site, which is located at 4594 East Tulare Avenue in Fresno, in the first paragraph of that section, the second to the last sentence reads, quote, "The timing of the releases is not known, but the releases likely occurred between the fall of 1992, when MTBE was required to be in

Fresno County gasoline, and the time when the tanks

which you mentioned likely occurred during that same

systems -- your hydrogeo people may have different any opinions as to -- any more precise than what I've offered right here as to the timing of those releases.

So it's equally likely that it occurred earlier or later in the time period, in your opinion?

The information I have, I can only bracket the release between fall of '92 and when the tanks were removed in '99. And I can't -- I can't differentiate that period any more than that.

Q. Now that we have talked about all the sites, I want to go back to one point that you made early on.

You said that if you had considered supplier information in connection with development of your opinions for any of these sites, it would have been noted in a footnote in your site summary, correct?

I believe that's correct.

And I don't believe that any of the

25 (Pages 797 to 800)

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	Page 953		Page 955
1	ACKNOWLEDGMENT OF DEPONENT	1	CERTIFICATE OF REPORTER
2		2	I, SANDRA BUNCH VANDER POL, a Certified
3	I,, do	3	Shorthand Reporter, hereby certify that the witness
	hereby certify that I have read the foregoing	4	in the foregoing deposition was by me duly sworn to
4	pages, and that the same is a correct transcription of the answers given by me to the	5	tell the truth, the whole truth and nothing but the
5	questions therein propounded, except for the	6	truth in the within-entitled cause;
	corrections or changes in form or substance, if	7	That said deposition was taken down in
6	any, noted in the attached Errata Sheet.	8	shorthand by me, a disinterested person, at the time
7		9	and place therein stated, and that the testimony of
8	TANDEL G MODELLI DATE	10	the said witness was thereafter reduced to
9	MARCEL G. MOREAU DATE	11	typewriting, by computer, under my direction and
10		12	supervision;
11		13	That before completion of the deposition,
12		14	
13			review of the transcript was requested. If
14		15	requested, any changes made by the deponent (and
15	Subscribed and sworn	16	provided to the reporter) during the period allowed
16	To before me this	17	are appended hereto.
17	day of, 20 My commission expires:	18	I further certify that I am not of counsel or
18	ing commission expires.	19	attorney for either or any of the parties to the said
		20	deposition, nor in any way interested in the event of
19	Notary Public	21	this cause, and that I am not related to any of the
20		22	parties thereto.
21		23	DATED:
22 23		24	
24			SANDRA BUNCH VANDER POL, CSR #3032
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EXHIBIT 8

Beacon 3519

Beacon #3519

4591 East Belmont Avenue, Fresno

MAJOR MILESTONES

1961	Three 12,000-gallon USTs were installed [10/22/1998].
Dec 10, 1998	Three single-walled (SW) steel, 12,000-gallon USTs, piping, and dispensers were removed.
Jan 19, 1999	A Permit to Operate was issued for two 15,000-gallon unleaded tanks with pressure piping. The tanks were installed in the same excavation as the former USTs.
Feb 13, 2001	MtBE was detected in groundwater samples. Quarterly groundwater sampling commenced.
July 10, 2003	Consultant concluded after two series of soil vapor extraction tests that SVE was not a feasible alternative for remediation of soil beneath the site. On behalf of Ultramar, the consultant requested CRWQCB to grant a low-risk closure for the site.
March 15, 2004	CRWQCB confirmed the completion of a site investigation and corrective action for the USTs formerly located at the facility.

SPILL/LEAK EVENT CHRONOLOGY

Dec 10, 1998	UST Abandonment Inspection Report. Three 12,000-gallon USTs were removed. Soil samples were collected from the tank excavations and from beneath eight dispensers on two islands (only four dispenser samples were reported in the removal report). Odors were observed in the samples from the east side of Tank 2 (T2): strong odor, gray soil in S5 (15 ft bgs) and medium odor, grayish soil in S6 (17 ft bgs). All three tanks were in good condition, rusted, with no holes visible. [12/10/1998]
Dec 11, 1998	An Unauthorized Release Report (URR) was filed by Fresno County for

the release of an unknown quantity of gasoline, discovered during tank removals. The source was checked as unknown.

Beacon 3519, Fresno Page 1 of 4

SOIL/GROUNDWATER CONTAMINATION CHRONOLOGY

Feb 18, 1999

Tank Removal / Closure Report. On Dec 10-11, 1998, three SW steel, 12,000-gallon USTs, product piping, and two dispenser islands were removed from the site. Soil samples were collected for analysis of TPHg, MtBE, and BTEX. Additional sidewall samples were collected on 12/14/1998 from the Tank 3 excavation.

<u>USTs</u>: The highest concentrations of TPHg (13,000,000 ppb) and MtBE (110,000 ppb) were in the samples collected from the east end (submersible end) of Tank 3 (15 and 18 ft bgs). Lower concentrations of TPHg were detected in samples from T2 (1,900 to 9,700 ppb) but not T1. MtBE was detected at all three tank locations (15 ppb to 110,000 ppb).

<u>Product Line Trenches</u> – No analytes were detected in the single sample collected (3 ft bgs).

<u>Dispenser Samples</u>: TPHg (at 1,100 ppb) and MtBE (at 120 ppb) were detected in the sample near the south end of the eastern dispenser island (6 ft bgs). No analytes were detected in the other three dispenser samples. Note: the site diagram indicates samples were taken from beneath the piping adjacent to the dispensers, not directly beneath the dispensers.

Feb 7, 2000

Two soil borings (B-1 & B-2) were drilled to 75 ft bgs and soil samples were collected. B-1 was on the east side of the UST excavation, and B-2 was on the south side. TPHg was found only in B-1 samples, at a maximum concentration of 13,000 ppb (45 ft bgs). MtBE was detected in samples from both borings, with a high of 38,000 ppb at B-1 (31 ft bgs) and 1,600 ppb at B-2 (31 ft bgs). The borings were grouted to 30 and 41 ft bgs, and vapor extraction wells were installed (VW-1 & VW-2). The consultant concluded that no gasoline constituents were present within 20 to 30 ft of the estimated groundwater level (90 ft bgs). [6/15/2000]

Dec 27-29, 2000

Three monitoring wells were installed to a depth of 115 ft bgs. MW-1 was located east of the UST excavation area, and MW-2 and MW-3 were located on the southern property boundary. [4/6/2001]

Feb 13, 2001

Groundwater samples were collected and analyzed. Quarterly groundwater sampling commenced. [4/6/2001]

Beacon 3519, Fresno Page 2 of 4

April 6, 2001

Results of Soil and Groundwater Investigation. Groundwater was measured in site wells at 99 ft bgs, and reportedly flowed to the west-southwest. No TPHg or BTEX compounds were detected in the Dec 2000 soil boring samples. MtBE was detected in soil samples collected from 10 to 85 ft bgs at the MW-1 boring, with a maximum concentration of 16,000 ppb (40 ft bgs). The 85 ft bgs sample from MW-1 also contained 6.5 ppb MtBE. The only MtBE detection at MW-2 was 5.6 ppb at 100 ft bgs. No MtBE was present in soil samples from the MW-3 boring. In groundwater, only MtBE was detected: 59 ppb in MW-1 and 6.6 ppb in MW-2. Other groundwater analytes that were ND were TPHg, BTEX, DIPE, ETBE, TAME, TBA, DCA, DBA.

July 10, 2003

Soil Vapor Extraction Test Report and Request for No Further Action. Consultant concluded after two series of soil vapor extraction tests that SVE was not a feasible alternative for remediation of soil beneath the site. Also noted was that no TPHg or BTEX had ever been detected in groundwater samples, and no MtBE concentrations above 1 ppb had been reported in groundwater since Dec 2001. A request was made for low-risk closure and permission to abandon the vapor extraction and monitoring wells.

March 15, 2004

Case Closure Summary. Fifteen water supply wells were identified within a 2,500-foot radius of the site. The closest well was approximately 600 ft west of the site and was identified as City of Fresno municipal Well #30A.

Summary and conclusions: A former release of petroleum hydrocarbons at the site resulted in the degradation of the underlying soils and groundwater. The extent of the impacted soils has been adequately evaluated. Remediating the impacted soils via SVE technology was evaluated and determined to not be a viable cleanup alternative. Further investigation of the site does not appear warranted. The results of groundwater monitoring and sampling events conducted between 2001 and 2003 revealed that the contaminant plume had stabilized and decreased. Groundwater impacts diminished to nearly non-detectable levels as of March 2002. The residual petroleum hydrocarbons in the underlying soils are likely to naturally degrade and are not anticipated to pose a threat to the beneficial use of groundwater in the area.

CRWQCB confirmed the completion of a site investigation and corrective action for the USTs formerly located at the facility. [RWQCB-FRESNO-016244]

Beacon 3519, Fresno Page 3 of 4

May 11, 2004

Well Abandonment Report. Three monitoring wells and two VE wells were pressure-grouted. [5/11/2004]

IDENTIFICATION OF MTBE RELEASES

Tank Area Releases

MtBE contaminated soil was discovered at the bottom of the tank excavation in December of 1998 when three storage tanks were removed. The highest levels of MtBE contamination (110,000 ppb) were associated with the submersible pump end of Tank 3, but all samples except the sample from the fill end of Tank 1 were contaminated with MtBE at levels ranging from 15 to 21,000 ppb. Contamination detected at the fill ends of the tanks was likely the results of delivery releases, while contamination detected at the submersible pump ends of the tanks was likely the result of releases from the submersible pumps and adjacent piping. The releases were likely intermittent. The volume released is not known.

Piping and Dispenser Area Releases

MtBE contaminated soil was discovered beneath piping adjacent to the dispensers in December of 1998 when the piping and dispensers were removed. Because of the proximity of the sample to the dispensers, the releases that produced the contamination could have originated from the piping or from the dispensers. Dispensers and adjacent piping are frequent sources of releases (see general report in this case). The releases were likely intermittent. The volume released is not known.

Customer Spills

Small spills are common during vehicle fueling activities and no doubt occurred throughout the time this facility was in operation. Fueling spills may have contributed to the MtBE contamination present in the dispenser area.

Beacon 3519, Fresno Page 4 of 4

EXHIBIT 9

Fresno Valley Gas

Fresno Valley Gas

2139 South Elm St., Fresno

Note: Station known as Beacon Station No. 528, Ultramar Station No. 538, and Arco/Ultramart.

MAJOR MILESTONES

1975	Three 10,000-gallon steel tanks and piping were installed, with no overfill protection or spill containment [undated document].
Nov 18, 1985	A new convenience store building was reportedly completed, and one dispenser island was removed.
April 17, 1991	Three soil borings were drilled to evaluate petroleum hydrocarbons in soil and groundwater at the site as part of a real estate transaction. Petroleum hydrocarbons were not found in soil samples; groundwater was not encountered.
April 17, 1992	Several piping leaks were discovered via a helium test.
Dec 8, 1998	New construction permit application included removal of the surface cover to the tanks, internal sandblasting and coating, installation of cathodic protection, installation of a Veeder Root tank monitor and line leak detection.
Oct 25, 1999	A line leak was discovered by helium testing.
Nov 29, 1999	A soil sample collected on the north side of the southern dispenser island, where a hole in a pipe was discovered and repaired, was found to contain 31,000,000 ppb TPHg and 920,000 ppb MtBE.
Mar 2004	Bravo boxes were added beneath the dispensers. Dispenser containment not present previously [6 26 2003].
May 18, 2004	Shallow soil beneath the dispensers was reportedly "significantly impacted by fuel hydrocarbons", with a maximum MtBE concentration of 164,000 ppb. Additional investigation was recommended.

Jun 20, 2007	Official Inspection Report notes: "Facility still under piping
	replacement and under red tag regulation. Business is still closed."
	No other references to red tag were reviewed.

Feb 28, 2008 A final construction inspection report documented the presence of:

- Single-wall steel USTs, with lining and cathodic protection.
- Overspill and overfill prevention.
- DW FRP piping, with continuous monitoring.

SPILL/LEAK EVENT CHRONOLOGY

Aug 14, 1989	A tightness testing report noted a leak at dispenser #4 in the vapor line and a leak at dispenser #6. The unleaded turbine was also found to be leaking.
Aug 21, 1989	An interoffice memo questioned the accuracy of some of the Aug 1989 test results. Further testing confirmed a leak in the premium NL line and the NL turbine, and both were repaired. [8/25/1989]
Sept 8, 1989	A letter to Fresno County stated that the super line failed PetroTite line testing on Aug 14, 1989. The line was uncovered and repaired and passed a line test on 8/15/1989.
Oct 5, 1990	Tank test results indicated a loss of -0.403 on the premium unleaded.
Oct 25, 1990	Inspection Report documented that the super NL product line was repaired; the overfill protection, fill pipe, and vent pipe were also replaced.
April 17, 1992	Official Inspection Report: An assessment of the exposed piping indicated that the metal piping was rusted and corroding; several leaks in the piping were found via a helium test. One leak was reportedly detected at the dispenser riser and another at the fill box.
July 30, 1999	Official Inspection Report: Inspector noted that gasoline was being dispensed at the NL pumps, in violation of an order not to dispense fuel until the dispenser had been repaired, tested, and approved.
Oct 25, 1999	A line leak, discovered by helium testing, was reported on the south island in front of the canopy column.
Nov 5, 1999	UST Installation Inspection Record: Because of a leak (see Oct 25, 1999), the 87 NL piping was replaced between the southern dispenser

island and the market. A soil sample was collected for TPHg, BTEX and MtBE analysis, and strong odors were noted.

SOIL/GROUNDWATER CONTAMINATION CHRONOLOGY

April 17	1991	Subsurface	Environmental	Investigation	Report:	Three soil	borings ((B1

to B3) were drilled to 35 to 50 ft bgs (max depth) to evaluate

petroleum hydrocarbons in soil and groundwater at the site as part of a real estate transaction. Soil samples were analyzed for TPHg and BTEX, and the results were ND for the most part (two toluene hits at

15 ft bgs). Groundwater was not encountered. [5/8/1991]

Nov 29, 1999 Soil sample S-1 was collected at 5 ft bgs on 11/5/1999 on the north

side of the southern dispenser island, where a hole in a pipe was discovered and repaired. The sample was found to contain 31,000,000

ppb TPHg and 920,000 ppb MtBE.

May 18, 2004 Soil samples were collected from beneath the six dispensers at the site

on March 19 and 30, 2004, and tested for TPHg, BTEX, MtBE, and other

oxygenates. The soil beneath the dispensers was reportedly

"significantly impacted by fuel hydrocarbons." Four of six samples had TPHg levels greater than 1,000,000 ppb. The highest concentrations were in samples taken at the southern dispenser island at 4 ft bgs; the maximum TPHg concentration was 6,022,000 ppb and the maximum MtBE concentration was 164,000 ppb. Another sample from the southern dispenser island had 38,000 ppb MtBE. One sample from the

northern dispenser island had 5,000 ppb of MtBE. Additional

investigation was recommended.

April 9, 2007 Results of Soil Sampling Report: Soil samples were collected during the

removal of the dispenser system in Dec 2006, but the results were never reported. Nine samples were collected with hand augers in February of 2007. MtBE was detected in two samples from the

southern dispenser island, at 24 ppb and 27,000 ppb.

IDENTIFICATION OF MTBE RELEASES

Tank Area Releases

The unleaded turbine pump was observed to be leaking in August of 1989 and repaired shortly thereafter. When this release began is not known. The volume released is not known. MtBE was not commonly present in California gasoline in 1989, so it is unlikely that this release

contributed to the MtBE contamination at this facility.

A leak in a fill riser was detected and repaired in April of 1992. When this release began is not known. The volume released is not known. MtBE was not commonly present in California gasoline in the spring of 1992, so it is unlikely that this release contributed to the MtBE contamination at this facility.

Piping and Dispenser Area Releases

Releases were observed in the piping associated with dispensers #4 and #6 in August of 1989 and repaired shortly thereafter. Releases from dispensers are common (see general report in this case). When these releases began is not known. The volume released is not known. MtBE was not commonly present in California gasoline in 1989, so it is unlikely that these releases contributed to the MtBE contamination at this facility.

A piping leak in a premium dispenser was detected and repaired in October of 1990. Releases from dispensers are common (see general report in this case). When this release began is not known. The volume released is not known. MtBE was not commonly present in California gasoline in 1990, so it is unlikely that this release contributed to the MtBE contamination at this facility.

A piping leak in a dispenser riser was detected and repaired in April of 1992. Releases from dispensers and adjacent piping are common (see general report in this case). When this release began is not known. The volume released is not known. MtBE was not commonly present in California gasoline in the spring of 1992, so it is unlikely that this release contributed to the MtBE contamination at this facility.

A leak in the unleaded line was repaired in August of 1999. Unleaded fuel was apparently being dispensed despite the leak. The exact location of the leak is not known. When this release began is not known. The volume released is not known. MtBE was commonly present in California gasoline in 1999, so it is likely that this release contributed to the MtBE contamination at this facility.

A piping leak near the southern dispenser islands was repaired in November of 1999, and MtBE contaminated soil was detected. When the leak began is not known. The volume of the release is not known.

MtBE was detected in three of six soil samples collected in March of 2004 from beneath the dispensers at the site. When these releases occurred is not known, but they likely occurred intermittently between the fall of 1992 when MtBE was first required to be present in Fresno County gasoline, ¹ and 2003 when MtBE was removed from California gasoline. The exact

1

¹ "Areas Participating in the Oxygenated Gasoline Program," Energy Information Administration, Department of Energy, http://www.eia.gov/steo/special/oxy2.html#Original, accessed on 9/15/2011.

dispenser components that leaked are not known, but dispensers and adjacent piping are frequent sources of releases (see general report in this case). The amount released is not known.

MtBE was detected in two of nine soil samples collected in February of 2007 from beneath the dispensers at the site. When these releases occurred is not known, but they likely occurred intermittently between the fall of 1992 when MtBE was first required to be present in Fresno County gasoline,² and 2003 when MtBE was removed from California gasoline. The exact components that leaked are not known, but dispensers and adjacent piping are frequent sources of releases (see general report in this case). The amount released is not known.

<u>Customer Spills</u>

Small spills are common during vehicle fueling activities and no doubt occurred throughout the time this facility was in operation. Fueling spills may have contributed to the MtBE contamination detected in the dispenser area at this facility.

² Ibid.

EXHIBIT 10

		Dago 1	1		Page 2
	UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF NEW YORK CITY OF FRESNO,) Plaintiff,) vs.) No. 04 CIV. 4973) (SAS)MDL 1358 CHEVRON U.S.A. INC., et al.,) Defendants.) Defendants.) DEPOSITION OF SHIRLEY McMURPHY AHMAD FREMONT, CALIFORNIA WEDNESDAY, FEBRUARY 16, 2011 DEPOBOOK REPORTING SERVICES Certified Shorthand Reporters 1600 G Street, Suite 101 Modesto, California 95354 800-830-8885 REPORTER: DENISE WHEELER, CSR NO. 8254	Page 3		14 (4 (6 (6 (6 (6 (6 (6 (6 (6 (6 (6 (6 (6 (6	A P P E A R A N C E S (Cont'd): FOR THE DEFENDANT KERN OIL AND REFINING: CYNTHIA TSAI, Attorney at Law GORDON & REES, LLP 101 W. Broadway, Suite 2000 San Diego, California 92101 519.696.6700 519.696.7124 FAX 525tai@gordonrees.com FOR THE DEFENDANT VALERO: BEN PATTON, Attorney at Law BRACEWELL & GIULIANI, LLP 711 Louisiana Street, Suite 2300 Houston, Texas 77002-2770 713.221.1344 713.221.1212 FAX ben.patton@bgllp.com
		Page 2	2		Page 4
1	APPEARANCES:			L	INDEX
2	FOR THE PLAINTIFF: EVAN EICKMEYER, Attorney at Law			2 1	WITNESS: SHIRLEY McMURPHY AHMAD
4	MILLER, AXLINE, SAWYER 1050 Fulton Avenue, Suite 100		- 1		EXAMINATION PAGE
	Sacramento, California 95825-4225		- 1		By MR. EICKMEYER 7
5	916.488.6688 916.488.4288 FAX				By MS. MOTOMED 35
6 7	eeickmeyer@toxictorts.org		- 1		By MR. PATTON 39
8	FOR THE DEFENDANT TESORO: NARGUES MOTAMED, Attorney at Law			7	
9	BINGHAM MCCUTCHEN, LLP 355 South Grand Avenue, Suite 4400		- `	3	EXHIBITS NUMBER DESCRIPTION DAGE
	Los Angeles, California 90071-3106				NUMBER DESCRIPTION PAGE
10	213.680.6868 213.830.8768 FAX		10		Plaintiff City of Fresno's Second Amended 11
11	nargues.motamed@bingham.com FOR THE DEFENDANT CHEVRON U.S.A. INC.:		1.		Notice of Deposition of Shirley McMurphy
12 13	SAMUEL DAVIS, Attorney at Law		$\frac{1}{1}$		Ahmad With Videotaping City of Fresno Environmental Health 17
14	KING & SPALDING 1100 Louisiana Street, Suite 4000		- 1) 1	2 City of Fresno Environmental Health 17 Application Bates FCDEH-FRESNO-003657
	Houston, Texas 77002-5213		15		Business Plan Registration Form 19
15	713.276.7335 713.751.3290 FAX		- 1	5 .	Bates RWQCB-FRESNO-001732
16	sdavis@kslaw.com		1		Department of Health Environmental Health 23
17 18	FOR THE DEFENDANT LYONDELL: BENJAMIN WANGER, Attorney at Law		18		Application Bates FCDEH-FRESNO-003889
19	BLANK ROME, LLP One Logan Square		19		5 Certification of Financial Responsibility 24
	130 North 18th Street		20		for Underground Storage Tanks Containing
20	Philadelphia, Pennsylvania 19103-6998 215.569.5559		2:		Petroleum Bates RWQCB-FRESNO-001520 to
21	215.832.5559 FAX		22	2	001521
22	wanger@blankrome.com		23	3 (6 May 31, 1994, letter from Shirley 26
23 24			24	1	McMurphy to Fresno County Environmental
25			25	5	Health Bates RWQCB-FRESNO-001509

1 (Pages 1 to 4)

	Page 5		Page 7
_	rage 3	_	
1		1	Lyondell.
2	EXHIBITS (Cont'd)	2	MS. TSAI: This is Cynthia Tsai with Gordon & Rees
3	NUMBER DESCRIPTION PAGE	3	on behalf of Kern Oil.
4	7 Single Form of Agreement for Purchase 28	4	MR. PATTON: This is Ben Patton with Bracewell &
5	and Sale of Commericial Property	5	Giuliani on behalf of the Valero defendants.
6	Bates RWQCB-FRESNO-001448 to 001449	6	MR. DAVIS: Samuel Davis with King & Spalding on
7	8 Note Modification Agreement Bates 39	7	behalf of the Chevron defendants.
8	BD000878 to 000880	8	THE VIDEOGRAPHER: Will the court reporter please
9	9 Purchase Agreement and Escrow 41	9	swear in the witness.
10	Instructions BB002759 to 002777	10	SHIRLEY MCMURPHY AHMAD,
11	10 May 8, 1991, letter from Randall K. 45	11	having been duly sworn, was
12	Stephenson to Fresno County	12	examined and testified as follows:
13	Environmental Health Department	13	EXAMINATION BY:
14	Bates RWQCB-FRESNO-001265 to 001313	14	MR. EICKMEYER: Q. Good afternoon, Ms. Ahmad. My
15		15	name is Evan Eickmeyer, as I introduced myself.
16		16	I will start out the questioning this afternoon and
17		17	ask most of the questions, and then the people on the phone
18		18	and here in the room will have a chance to ask questions as
19		19	well.
20		20	I think we covered a lot of questions with your
21		21	husband already. You'll be happy to hear it will make
22		22	things faster for you.
23		23	If you ever can't hear me or I'm not speaking
24		24	clearly or loudly, please let me know, and I'll try and do
25		25	better.
	Page 6		Page 8
1	THE VIDEOGRAPHER: Good afternoon.	1	Have you ever had your deposition taken before?
2	This begins videotape number 1, Volume I, in the	2	A. Yes.
3	deposition of Shirley McMurphy Ahmad in the matter of the	3	Q. Has it been in regard to any gasoline stations?
4	City of Fresno versus Chevron USA, et al. in the United	4	A. It had to do with the partners
5	States District Court for the Southern District of New York.	5	Q. And that was
6	The master file number of which is 100-1898.	6	A in this group.
7	Today's date is February 16th, 2011, and the time	7	Q. I'm sorry, were you done?
8	on the video monitor is 3:30 p.m.	8	A. In this group of partners we had on the gas
9	The deposition is being taken at the Courtyard	9	station.
10	Marriott in Fremont, California, and was made at the request	10	Q. It had to do with the Petro Group?
11	of the plaintiff.	11	A. Yes.
12	The court reporter producing the official	12	Q. Did any of the topics of your deposition have
13	transcript of today's testimony is Denise Wheeler of	13	anything to do with any environmental contamination or
14	Depobook Reporting Services, 1600 G Street, Suite 101,	14	cleanup?
15	Modesto, California, 95354. The videographer is Cutler	15	A. No.
16	Andrus of Legal Advantage Video, 25 Stillman Street, Suite	16	Q. I'm going to go over for a minute some of the
17	106, San Francisco, California 94107.	17	ground rules of the deposition process just to make sure
18	Will counsel please identify yourselves and state	18	they're fresh in your mind and make sure you don't have any
19	whom you represent? MR. EICKMEYER: Good afternoon. Evan Eickmeyer of	19	questions for us.
20	MIN. EICKMETEN. GOOG AITEMOON, EVAN EICKMEVET OF	20	The oath that the reporter gave you is the same
		21	
21	Miller Axline & Sawyer for plaintiff City of Fresno.	21	oath to tell the truth as if we were in court today in front
21 22	Miller Axline & Sawyer for plaintiff City of Fresno. MS. MOTAMED: Nargues Motamed of Bingham McCutcher	122	of a judge, and you have the same obligation to be truthful
21 22 23	Miller Axline & Sawyer for plaintiff City of Fresno. MS. MOTAMED: Nargues Motamed of Bingham McCutcher on behalf of the Tesoro defendants.	122 23	of a judge, and you have the same obligation to be truthful as if we were in court here today. Do you understand that?
21 22	Miller Axline & Sawyer for plaintiff City of Fresno. MS. MOTAMED: Nargues Motamed of Bingham McCutcher	122	of a judge, and you have the same obligation to be truthful

Page 13 Page 15 wrong, please let us know. But I think what your husband 1 1 Q. Was it your understanding that the station was 2 described there were two partnerships called Petro Group I 2 purchased from Beacon? 3 and Petro Group II? 3 A. That's right. 4 A. That's correct. 4 Q. And then I think you said -- I'm sorry -- I'm 5 5 Q. Is it correct that -- let's see if I have my notes trying to remember between your testimony and your 6 correct. I think it was Petro Group II acquired the station husband's -- that there was a change in the brand after a 6 7 on Elm? 7 few years? 8 8 A. Yes. A. I think Beacon was taken over, or Ultramar bought 9 Q. During the time that the Petro Group operated the 9 Beacon. It became Ultramar later. 10 station on Elm, do you know where the gasoline was supplied 10 Q. So the station changed at some point from the 11 11 Beacon brand to the Ultramar brand? 12 A. We -- we bought the location from Beacon, and we 12 A. I think that's what happened. 13 would buy the gas from Beacon. And then I guess they became 13 Q. This is the one on Elm Street -- or, I'm sorry, 14 Ultramar or something. And then -- so that's where we would 14 2139 South Elm? get the gas I think. A. If it happened to one, it would have happened to 15 15 16 Q. Did you have an understanding as to who the refiner 16 all of them. So I think they all changed. You know, I 17 of the gasoline was during the time you mentioned first that 17 mean, I think Beacon -- didn't Ultramar buy out Beacon. 18 it was branded Beacon or Ultramar? 18 That's what I'm -- that's what I -- I mean, I just am trying 19 MR. PATTON: This is Ben Patton. I'd like to 19 to remember, and I'm thinking that that's what happened. 20 20 Q. Well, let me back up a little bit because we're object to the extent that calls for speculation. 21 MR. DAVIS: This is Samuel Davis. I'll object that 21 just trying to find out what your knowledge is. So when you 22 22 it's been asked and answered. first bought the station at 2139 South Elm --23 THE COURT REPORTER: I'm sorry, you'll object that 23 A. I know we bought them from Beacon. 24 it's what? 24 Q. Okay. 25 MR. EICKMEYER: He said asked and answered. 25 A. Because all the Beacon people were there, and they Page 14 Page 16 1 Q. Go ahead. 1 were, you know, going through the whole thing and 2 A. I really don't know who the refinery was. 2 inventories and all that. So I know we bought them from 3 3 Q. Do you recall ever seeing tanker trucks delivering 4 gasoline to the station? 4 Q. Do you remember who you dealt with at Beacon as 5 A. Oh, I'm sure they -- they came. See, I lived in 5 part of that purchase process? 6 6 Fremont, and so I very seldom was at Fresno. And I paid all A. I don't. I didn't really deal with them. My 7 the bills. I did all the bookkeeping. Every day they would 7 husband did. 8 have, you know, the sales report. Then I would put it in 8 Q. Is it your understanding that the gasoline then was 9 9 the computer. So I had the five gas stations to take care initially supplied by Beacon, and then their name switched 10 of. Then we had our own business and our personal, and then 10 to Ultramar at some point. I had a little one at the time, and so I was pretty busy A. That's what I'm thinking, yes. 11 11 12 just taking care of that part. So I really wasn't in Fresno 12 Q. At some point did the brand of the station change 13 that often. And because of that particular location wasn't 13 to Valley Gasoline? 14 the best area, I just didn't go there that often. 14 A. Yes, that happened later. 15 15 So I don't know if I remember seeing a tanker truck Q. Do you have a knowledge as to who supplied gasoline 16 at that location. I know I did at other locations. We were 16 during the time the station was called Valley Gasoline? 17 at other locations more often than that one. 17 A. I'm not sure. My husband would know. I don't 18 Q. When you mentioned -- I think you described 18 know. Q. Your husband mentioned some companies call Total 19 handling the paperwork for the station, did you ever see any 19 20 paperwork indicating what company or companies were 20 Energy and Sabek Oil? 21 delivering gasoline to that station? 21 A. Okay. Yes. 22 A. I really don't remember. 22 Q. Those are familiar? 23 Q. You mentioned the station was initially branded 23 A. Yes. 24 Beacon I think you said? 24 Q. Do you recall any other companies besides those two 25 25 that might have supplied gasoline to the station when it was A. That's correct.

Page 25 Page 27 MR. EICKMEYER: Q. I'm handing you what I've 1 A. Yes. 2 marked as Exhibit 6. This was not used for your husband's 2 Q. Can you tell from the writing if you were the 3 person that completed this form? 3 deposition. This is -- has your name at the top Shirley 4 A. No, I did not. 4 McMurphy, EA, dated May 31, 1994, Bates RWQCB hyphen Fresno 5 hyphen 001509. Do you recognize your signature at the 5 Q. As far as the information that's listed here, is 6 bottom of this page? 6 this information correct, to your knowledge, as of the date 7 shown here 12/31/93? 7 I'm sorry, I didn't hear you if you answered. I 8 asked you do you recognize your signature at the bottom of 8 A. Yes. 9 9 Q. If you could turn to the second page Bates ending this page. 10 in 1521, is that your signature at the bottom of the page? 10 A. Yes. Yes. 11 Q. And does this letter appear to be in your writing? 11 12 Q. And if you could take a look at this page -- and if 12 A. Yes. 13 I didn't mention already, if there's any document you need a 13 Q. And would this indicate changing stations from Beacon Service Stations to Valley Gas, indicate that the 14 moment to read, we'll be happy to take the time to do that. 14 change of names would have happened at approximately the 15 I don't have too many documents to show you here. 15 16 date of this letter, May 31st, 1994? 16 If you could take a look at this page, and my 17 17 A. Yes. question is whether the information shown here was accurate 18 to the best of your knowledge as of the date indicated 18 Q. So from the -- I see the designation at the -- at the top of this page shows EA, that you're enrolled to 19 12/31/93? So my question was just if the information shown 19 20 represent taxpayers before the IRS? 20 here on this page was accurate to the best of your knowledge 21 21 on the date indicated 12/31/93? A. That's correct. 2.2 Q. So is that also -- I think your husband described 22 A. Yes. 23 you as a CPA. So you were also in the accounting business 23 Q. On the top line of this page it says, "I am the chief financial officer for Petro Group II." Do you see 24 before the gas stations were acquired? 24 A. That's right. 25 25 that? Page 26 Page 28 A. Yes. 1 Q. Let me ask you -- if you want, we can look back at 1 2 Q. Was that an official title that you had, or is that 2 Exhibit 1. Your husband had mentioned doing accounting work 3 just indicating that you were responsible for taking care of 3 for different gas stations. And I was just going to ask looking at that list of stations in No. 1, did you ever do 4 the financial business? 5 any accounting work for any stations in Fresno shown 5 A. I think just that we were responsible for taking 6 there --6 care of the financial. 7 Q. Within the partnership of Petro Group II, did 7 A. No. 8 8 Q. -- besides your own station? anyone have any particular titles or designations as to what 9 9 A. No. they were responsible for? 10 A. No. 10 (Exhibit No. 7 was marked for Q. Were the partners in Petro Group II equal partners? identification.) 11 11 12 12 MR. EICKMEYER: Q. I'm going to hand you what A. No. 13 O. Can you describe? 13 I've marked as Exhibit 7. I believe this was Exhibit 9 to 14 A. It was depending on how much they had invested. 14 your husband's deposition. This is titled Single Form of Agreement for Purchase and Sale of Commercial Property, 15 Q. Who was considered, if anyone, then to be the lead 15 Bates RWQCB hyphen Fresno hyphen 001448 through 1449. Do 16 partner, have the biggest share? 16 you recognize -- at the bottom of the second page do you 17 17 A. It would have been myself. 18 Q. I think you mentioned when you were talking about 18 recognize your signature there? 19 A. Yes. the stations and having a child at home, you said you and 19 20 20 Q. Do you know whose handwriting this document is in? your husband I think also had another business. Was that 21 21 A. This is my husband's. right? 22 22 Q. Can you tell us what's indicated by this document, A. Accounting business. Bookkeeping, accounting 23 23 what the purpose was? business. 24 (Exhibit No. 6 was marked for 24 A. He was selling the station to these other people. 25 Q. Was it the Petro Group II was selling their 25 identification.)

	Page 45		Page 47
1	THE WITNESS: Is it in here?	1	
1 2		1 2	We are now going off the record. The number of videotapes used is two. The time is 4:35.
	MR. EICKMEYER: She'll give you a new one. We're	3	(Deposition concluded at 4:35 p.m.)
3 4	using different numbers than your husband's exhibits.	4	(Deposition concluded at 4.55 p.iii.)
5	21, I've got it, thanks. MS_MOTAMED: And I'm marking this as Exhibit 10.	5	
6	MS. MOTAMED: And I'm marking this as Exhibit 10. (Exhibit No. 10 was marked for	6	
7	identification.)	7	
8	(Pause in proceedings.)	8	
9	MR. PATTON: Q. I'm sorry, do you have the	9	
10	document, Ms. Ahmad?	10	
11	A. Oh, yes.	11	
12	Q. Do you recognize this as one of the reports that	12	
13	was referred to in Section 4.2 that we were just looking at?	13	
14	A. Well, now I'm reading on this page here. This says	14	
15	600 East Elm Avenue in Fresno. And we had a 600 in	15	
16		16	
17	Coalinga South Elm in Coalinga. That was the address of Coalinga.	17	
18	Q. I'm sorry, are we looking at different documents?	18	
19	Are you looking at a document with Ultramar at the heading?	19	
20	I may have got the wrong exhibit number, and that's my	20	
21	fault.	21	
22	MR. EICKMEYER: I think, counsel, she's pointing	22	
23	out on Bates 1267 the address in the top paragraph is 600	23	
24	East Elm Avenue, Fresno. That's what she was pointing to	24	
25	here in the room.	25	
			- 40
	Page 46		Page 48
1	MR. PATTON: Okay. Thank you for clarifying that.	1	
2	That does seem to be the wrong address.	2	REPORTER'S CERTIFICATION
3	Q. But on the front it has the correct address; is	3	I DENIGE WHEELED COD No. 9254 Conf. of 101 orders 1
4	that right; on the first page?	4	I, DENISE WHEELER, CSR No. 8254, Certified Shorthand
5	A. Right.	5 6	Reporter, certify:
6	Q. Was it your understanding after these reports were	7	That the foregoing proceedings were taken before me at the time and place therein set forth, at which time the
7	done that they came back with the conclusion that there was	8	witness was put under oath by me;
8	no contamination at the 2139 Elm station?	9	That the testimony of the witness, the questions
9	MR. EICKMEYER: Object. Misstates the evidence.	10	propounded, and all objections and statements made at the
10	THE WITNESS: As far as I know everything would	11	time of the examination were recorded stenographically by me
11	have been just right would have been okay.	12	and were thereafter transcribed;
12	MR. PATTON: Q. Okay. Thank you very much,	13	That the foregoing is a true and correct transcript of
13	Ms. Ahmad.	14	my shorthand notes so taken.
14	I have no further questions.	15	I further certify that I am not a relative or employee
15	MR. EICKMEYER: Anyone else on the phone?	16	of any attorney of the parties, nor financially interested
16	UNKNOWN SPEAKER: No questions here.	17	in the action. I declare under penalty of perjury under
17 18	THE COURT REPORTER: Who was that?	18	the laws of the California that the foregoing is true and
19	MR. WANGER: Mr. Wanger. MR. EICKMEYER: Anyone else still with us? Last	19	correct.
20	•	20	Dated this 28th day of February, 2011.
21	chance. Anything else?	21	
22	MS. MOTAMED: No.	22	
23	MR. EICKMEYER: All right. Thank you, Ms. Ahmad.	23	DENIGE WHEELER CORN 1 0054
24	We conclude.	24	DENISE WHEELER, C.S.R. No. 8254
25	THE VIDEOGRAPHER: This concludes the deposition.	25	

EXHIBIT 11



UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK							
This Document Applies to:							
City of Fresno (Plaintiff)	Case No. 04 CV-04973 (SAS)						
v.							
Chevron U.S.A. Inc., et al (Defendants)							

AMENDED EXPERT REPORT OF JOHN B. O'BRIEN

Date: November 21, 2011

that implemented compromises reached as a result of the negotiations. 65

64. To clarify the terminology associated with the 1990 CAAA gasoline regulations, and as used in this Report, gasoline made to meet the requirements of the OFP is referred to as "oxygenated" gasoline, while gasoline made to meet the requirements of the RFG program is referred to as "reformulated" gasoline, or simply RFG. Both of these grades of gasoline were required to contain minimum levels of oxygen through the addition of oxygenates, as described above. Gasoline sold in areas not covered by either the OFP or RFG programs was not required to contain oxygenates and is referred to as "conventional" gasoline. However, conventional gasoline may, and often does, contain oxygenates depending on logistics, octane requirements, and processing economics. Also, so-called "anti-dumping" regulations preclude refiners from simply blending ("dumping") all of their most highly polluting components into conventional gasoline. Following the January 1995 introduction of RFG, there was a period of regulatory overlap between the OFP and RFG programs when RFG was required to contain 2.7 Wt.% oxygen (instead of 2 Wt.%) during the winter months in OFP areas. This was done to avoid having two conflicting fuel regulations in areas covered by both OFP and RFG.

CARB Reformulated Gasoline Regulations

65. CARB was formed by the California legislature in 1968 to find solutions to California's air pollution problems. Since its establishment, CARB has often been in the forefront of the development of automobile emission controls. In 1971, CARB adopted the nation's first automobile emissions standards for oxides of nitrogen. In 1975, exhaust catalytic

⁶⁵ Michael Weisskopf, "Rare Pact Reached to Fight Smog; Environmentalists, Oil Firms Agree on Gasoline Standards," *The Washington Post*, August 16, 1991, p. 1.

⁶⁶ The requirement that RFG contain a minimum oxygen content was lifted in May 2006, after Congress passed the RFS mandating that the domestic gasoline supply contain certain minimum volumes of blendstocks made from renewable sources.

converters were required on all new cars sold in California under CARB's Motor Vehicle

Emission Control program. In 1988, CARB adopted regulations requiring all new cars sold in
the state to have onboard computer-controlled emission monitoring systems.

- 66. However, CARB's most significant statewide gasoline regulations occurred when Phase I of the California Reformulated Gasoline (CaRFG1) program became effective on January 1, 1992. CaRFG1 totally eliminated the use of lead additives, mandated the use of deposit control additives, and in some areas of the state, extended the new federal RVP limits for longer time periods.
- 67. For federal OFP-designated areas, California obtained an EPA waiver to use gasoline containing between 1.8 and 2.2 Wt.% oxygen, instead of the standard federal level of 2.7 Wt.% for wintertime OFP gasolines.⁶⁷ Also, when the federal OFP program commenced in November 1992, CARB required the entire state to comply with the wintertime oxygenate program because approximately 80% of the state's gasolines were marketed in areas that were non-attainment for CO according to federal regulations.⁶⁸ This statewide wintertime oxygenate requirement started in November 1992 and terminated in February 1998. However, CARB required certain selected counties and areas of the state to continue their wintertime oxygenate use even though they were CO-compliant. For example, the counties of Fresno, Madera, and the Lake Tahoe Air Basin were required to continue wintertime oxygenate use through January 2000, even though they had achieved CO-compliance in June 1998.⁶⁹ The CARB wintertime oxygenate target of 2.0 Wt.% oxygen was equivalent to 11.0 Vol.% MTBE or 5.7 Vol.% ethanol.

⁶⁷ The waiver was requested as part of California's State Implementation Plan (SIP). Data showed that oxygen levels above 2.2 Wt.% increased nitrogen oxide emissions and added to ozone and particulate matter pollution.

⁶⁸ James D. Boyd, CARB, Letter to Daniel W. McGovern, EPA, October 30,1992, regarding revisions to California's SIP for compliance with the federal OFP program.

⁶⁹ See 63 FR 15305 and year 2000 version of Title 13, California Code of Regulations, Section 2262.5 (13 CCR 2262.5).

In his report in this matter, Plaintiff's expert Mr. Reynolds incorrectly states that CARB's wintertime oxygenate requirements only applied to Greater Los Angeles and Imperial County.⁷⁰ In fact, they applied throughout the state for several years.

- 68. CARB Phase II (CaRFG2) gasoline regulations were promulgated in October 1991 and became effective on March 1, 1996, 15 months after the federal RFG regulations were implemented. The CaRFG2 regulations were more stringent than those for federal Phase I RFG and substantially lowered the sulfur dioxide, nitrogen oxides, and VOC emissions compared to Phase I RFG. The emissions behavior of CaRFG2 gasoline was estimated based on CARB's own "predictive model" and measured the emissions compliance of each gasoline blend based on its RVP, aromatics, olefins, sulfur, benzene, oxygen, and distillation. CaRFG2 gasoline sulfur content was limited to 30 parts per million (ppm) using the averaging method of compliance versus an average level of 130 ppm for federal RFG. In order to meet the tougher emission requirements, the average level of aromatics and olefins in CaRFG2 gasoline also had to be lower than typical federal RFG.
- 69. Because CaRFG2 was more restrictive than federal RFG, it was allowed to supersede federal requirements. Most CaRFG2 gasoline was targeted to contain 2.0 Wt.% oxygen year-round, with an allowable compliance range of between 1.8 and 2.2 Wt.%.⁷¹

 Although CaRFG2 was required statewide, some areas of the state were subject to the requirements of the federal OFP and RFG programs as well. Exhibit H shows the counties in California that were subject to the federal OFP or RFG programs, or both, at any time during the

⁷⁰ Reynolds Fresno Report, May 2, 2011, Section 4.2, p. 7.

If gasoline suppliers complied with the CARB emissions requirements under the predictive model, they were permitted to produce gasoline without oxygenates if they so chose (except in RFG-designated areas.) The oxygenate requirement only applied to suppliers complying under the so-called "flat limits" of 1.8 to 2.2 Wt.%. See 13 CCR 2262. Although small amounts of non-oxygenated CaRFG2 were produced between 1996 to 2003, high refining costs precluded any significant volumes. CaRFG2 also allowed 10 Vol.% ethanol blends with a maximum of 3.7 Wt.% oxygen.

period from 1995 to 2003. In December 2001, the counties in the San Joaquin Valley Air Basin⁷² were designated by the federal government as ozone non-attainment areas and, effective December 2002, these counties were required to meet federal RFG requirements.⁷³

- 70. CaRFG2 specifications proved very difficult for refiners to meet and required numerous modifications to refinery facilities. Difficulties in obtaining the necessary construction permits in the highly regulated California environment added time and cost to the necessary refinery modification projects. CARB-compliant gasoline became the most expensive in the nation and its availability from sources outside the state was very limited.
- 71. CARB Phase III (CaRFG3) gasoline regulations became effective December 31, 2003, the same time that the state's MTBE phaseout was complete. Because CaRFG3 gasoline used in federal RFG areas was still required to contain 2.0 Wt.% oxygen, completion of the MTBE phaseout was effectively a mandate for the use of 5.7 Vol.% ethanol (the only CARB-approved source of oxygen) in those gasolines. CaRFG3 also lowered the levels of sulfur and benzene permitted in gasoline and slightly adjusted distillation temperature limits.
- 72. Despite recent federal mandates to increase the blending of ethanol into all domestic gasoline supplies, the 5.7 Vol.% ethanol level was retained in all California gasolines until January 1, 2010, when the state's Low Carbon Fuel Standard (LCFS) was passed into law. Although the LCFS did not specifically mandate an increase in ethanol blending, increasing the ethanol content from 5.7 to 10 Vol.% became, along with other adjustments in fuel quality, an

⁷² The San Joaquin Valley Air Basin comprises the counties of San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulane, and western Kern County.

⁷³ See 66 FR 56476-484.

⁷⁴ See 13 CCR 2262.6.

⁷⁵ California's LCFS is aimed at reducing greenhouse gases from all of the state's energy sources.

integral part of California refiners' strategy to comply with the new law.

The Federal Renewable Fuel Standard ("RFS")

73. In August 2005, the federal government passed the Energy Policy Act of 2005, which included the first RFS. Commencing in May 2006, the first RFS required certain minimum volumes of ethanol to be used annually in the nation's fuel supply, at the same time eliminating any requirement for oxygenates in RFG. The intended purpose of the first RFS was to reduce dependence on foreign oil through increased use of domestic renewable fuels, reduce greenhouse gas emissions, and support new domestic economic activity in renewable fuels production. In December 2007, the federal government passed the Energy Independence and Security Act of 2007 (EISA), which substantially expanded the RFS requirements for the nationwide blending of fuels from renewable sources. As of the time of this Report, minimum oxygen requirements remain only in certain OFP regulated areas. However, all such oxygen is currently provided through ethanol blending.

V. GASOLINE SUPPLY CHAIN OVERVIEW

74. The gasoline "supply chain" is the entire set of interdependent activities that are carried out to bring gasoline to the end user. The supply chain is very complex, highly regulated, intensely competitive, and involves a large number of business relationships. The business relationships exist throughout the entire supply chain—from the refiner, blender, or importer to the retail service station operator. Exhibit I is a diagram showing the complexity of the

⁷⁶ EISA increased the annual volume of renewable fuels (including ethanol) required in the U.S. motor fuel supply to 36 billion gallons by the year 2022, or approximately 2,350,000 barrels per day (B/D). Of that total, only a maximum of 15 billion gallons per year (BGY), or approximately 978,500 B/D of corn-based ethanol can be used to meet RFS requirements.

⁷⁷ See 13 CCR 2262.5(a). The remaining OFP areas are the South Coast Area (Los Angeles and Orange Counties, as well as parts of Riverside and San Bernardino Counties) and Imperial County.

out" of the gasoline pool in California is to export them or burn them as refinery fuel—providing a low economic value. The net result is a loss in total gasoline volume.

193. Third, and finally, the energy content of ethanol is less than that of either hydrocarbon gasoline or MTBE. It is approximately one-third less than hydrocarbon gasoline and about 20% less than MTBE. Since a fuel's volumetric energy content is directly related to the mileage that can be achieved in an internal combustion engine, substitution of hydrocarbon gasoline or MTBE with ethanol requires that more fuel volume be burned for the same miles driven. The net effect is the same as for the removal of light ends from gasoline—the incremental gasoline volume must be made up by refiners processing more crude oil or through gasoline imports.

194. If refiners must process more crude oil to produce the same volume of gasoline, the cost of producing gasoline increases. Increased imports of gasoline not only increase the cost of the gasoline supplies, but also raise important issues regarding long-term security of supply. Although the impact of ethanol on gasoline supply may vary, both on a refiner to refiner and on a temporal basis, it would have been clear to most refiners considering alternative oxygenate materials in the early 1990s that ethanol would negatively impact their overall gasoline production and make them less competitive from a pricing standpoint.

Summary of MTBE versus Ethanol Considerations

195. Each gasoline refiner was faced with the decision of how and where to source the large volumes of oxygenates that were projected to be required in RFG and OFP designated areas. As has been explained in this Report, there were many factors to be considered in making this decision. Although there were a number of different types of ethers and alcohols that could be used, the fundamental choice was between MTBE and ethanol. For many of the reasons

discussed above, most refiners generally opted for MTBE. The following paragraphs summarize the key issues that directed that decision.

leveraged, and concentrated in the Midwest corn producing states, far removed from the areas of largest future RFG/OFP demand. There were few ethanol plants being planned or under construction because the economics did not justify it. Ethanol imports were limited by a tariff and by the "cap" on CBI nation volumes. In contrast, capacity for MTBE was growing rapidly, both at refineries and through merchant plant construction. The latter relied on low-cost butanes, the very materials that were rapidly being displaced from the gasoline pool due to restrictive RVP regulations.

197. Ethanol Distribution and Blending – Ethanol's water miscibility precluded it from being blended at the refinery and transported by pipeline. Reliance on ethanol as the source of oxygenate in major East Coast and West Coast RFG markets would have resulted in substantial rail transportation costs, as well as major new investments in segregated rail off-loading facilities, terminal storage tanks, and truck rack loading and blending systems. Ethanol's high blending RVP required refiners to produce a special low RVP RBOB (or CARBOB in California), complicating the refining process, adding additional expense, and reducing gasoline volume. The latter could only be made up by processing more crude oil or importing high-cost gasoline from foreign sources. When the EPA denied requests to provide ethanol-blended RFG gasoline with an RVP "waiver" (which it gave for conventional gasoline), any plans for new ethanol capacity essentially came to an end.¹⁷¹ In denying the waiver, the EPA was concerned that the expanded use of ethanol in RFG gasolines would increase emissions in those areas that

¹⁷¹ "Ethanol Producers Battle EPA Proposal on Clean Air," *The Wall Street Journal*, May 1, 1992, p. 84.

already had the "dirtiest" air. When asked about this fact at trial in the City of New York Case, Mr. Reynolds confirmed, "I believe that's why they [the EPA] said they would not grant it [the waiver] for all their RFG areas, yes." In comparison, both inside and outside of the refinery, MTBE behaved like any other refinery gasoline blendstock and did not suffer from any excessive RVP, blending, transportation, or distribution problems.

198. **Ethanol Economics** – Even with the help of generous federal subsidies, the cost of producing ethanol in the early 1990s made it only marginally competitive with other oxygenate sources, such as MTBE. Additional state subsidies or incentives were needed to encourage expanded production. Ethanol's fundamental economics, with a high dependency on corn prices, raised uncertainty about the long-term viability of the ethanol industry. In 1994, the U.S. General Accountability Office (GAO), the audit arm of the U.S. Congress, reported that despite a federal law requiring large federal agencies to use renewable fuels, the agencies had substantially failed to comply.¹⁷³ The high price of ethanol was cited as a key reason. MTBE, in contrast, was not only much cheaper to produce, but also offered economic synergies with other refinery processes such as alkylation. Also, MTBE production costs were directly related to other energy costs, not based on the price of a totally unrelated farm crop and agricultural by-products the way ethanol was.

199. **Supply Reliability and Quality Control** – If a refiner chose ethanol as its oxygenate source, it often had to enter into a contract with a relatively small supplier with an unknown "track record." A refiner did not want to be dependent on oxygenate sourced from potentially unreliable suppliers operating in an economically challenged, subsidized industry.

¹⁷² Reynolds Trial Testimony, City of New York Case, p. 4715, lines 12-13.

Advanced Technology Program - Federal Agencies' use of Gasohol Limited by High Prices and Other Factors, U.S. GAO, Report to the Honorable Byron L. Dorgan, U.S. Senate, December 1994.

The refiner was essentially taking on the risk of default in supply, the cost of which could be substantial. However, refiners themselves had no interest in owning or operating ethanol plants, which represented an entirely different line of business. The choice of ethanol also introduced issues of product quality control. RFG regulations required that gasoline meet all specifications at the point of retail delivery to the consumer. By choosing ethanol as the oxygenate source, refiners were, in effect, transferring part of the gasoline manufacturing process—the need to blend the correct volume of ethanol just prior to delivery—to entities over which they had little or no control. Unlike ethanol, MTBE could be reliably manufactured and blended at the refinery and the final blend certified at the time of production, in accordance with strict quality control procedures. Absent some unusual pipeline or terminal operating problem, the refiner knew that the product delivered to the retail station met the RFG regulations. The use of MTBE offered more product quality assurance and less risk of violation of those regulations.

200. **Consumer Acceptance** – Because ethanol had been linked to various fuel quality and vehicle performance issues when initially used, a perception had arisen that ethanol-blended fuels were inferior and to be avoided. MTBE bore no such consumer acceptance problems. Indeed, by 1990, MTBE had been proven to be an economic, easily used, high-octane, and reliable gasoline blendstock that could be blended, transported, and delivered like any other gasoline blendstock.

VII. COMPARISON OF ETHANOL CIRCUMSTANCES TODAY VS. THE 1990s

201. It has often been asserted that the fact that ethanol is in such widespread use in the U.S. today is ample proof that all U.S. refiners and marketers could have, if they had chosen to, met the oxygenate requirements of the 1990 CAAA using ethanol alone. I do not agree with this

assertion. The technical and commercial circumstances 15-20 years ago were very much different than they were in the early to mid-2000s when U.S. refiners started to transition from MTBE to ethanol. Of course, no one can know for certain what could have been accomplished 15-20 years ago. However, given that ethanol producers and refiners would at that time have had, at best, only three to four years to build a large number of new ethanol plants, as well as substantially modify both refineries and distribution systems to accommodate ethanol on a nationwide basis, I find it unreasonable to assume that such a rapid expansion of the ethanol industry could have been achieved. Ethanol blending confronted gasoline suppliers with a multiplicity of risks, uncertainties, and added costs in the early 1990s. To assume that suppliers would have simply ignored such factors is, in my opinion, unrealistic.

anticipated from any competitive business enterprise. They kept their options open until they knew what the actual regulations would be and then made the most prudent investments and/or operational changes needed to ensure that they remained competitive in their markets. Since MTBE held so many technical and economic advantages over ethanol, and entailed much lower supply risk, it is not surprising that it became the oxygenate of choice outside the Midwest ethanol production areas. It is unreasonable to assume that refiners would have made large investments to expand RBOB production, or potential ethanol suppliers would have invested in large new production facilities, when neither knew the role that ethanol would eventually play in meeting the 1990 CAAA. Gasoline marketing is highly competitive. Each refiner was faced with an individual decision as to which federally approved oxygenate to use. As discussed in more detail in this section, an individual refiner facing such a choice would also be aware that its competitors were facing a similar choice. It would be reasonable for a refiner to assume that its

Conclusion

229. In my opinion, it is totally improper to consider what has been achieved in the ethanol and the refining industries over the last 15-20 years and conclude that the same could have been achieved during the implementation of the 1990 CAAA. Conditions were simply too different across many dimensions. The dynamics of the entire industry were vastly different during the two periods, and there was simply too much uncertainty in the earlier periods to encourage the level of change and investment needed. When individual refiners considered their choice between ethanol and MTBE, it was typically made on the basis of competition, overall economics, and security of oxygenate supply. Since MTBE was generally favored in all categories, it is not surprising that most refiners chose it over ethanol. MTBE phaseouts and ethanol mandates were key drivers in the transition from MTBE to ethanol in the mid-2000s. No such issues were foreseen in the earlier time frames.

VIII. DIMINISHING PUBLIC AND POLITICAL SUPPORT FOR ETHANOL

230. Over the last few years, both public and political support for the expanded use of corn to produce additional fuel ethanol has waned considerably. This has come about as a greater proportion of the population has come to understand the additional costs and unintended consequences of the large-scale use of ethanol in motor fuel. Even former Vice President Al Gore, who was once one of the most ardent advocates of fuel ethanol, has come out against expanded corn ethanol production. He now admits that the benefits of ethanol are "trivial." Asked to explain his previous support for ethanol, the former Vice President said, "One of the reasons I made that mistake [i.e., supporting corn ethanol] is that I paid particular attention to

²¹⁰"Al Gore's Ethanol Epiphany," *The Wall Street Journal*, November 27, 2010.

December 31, 2011. Elimination of the VEETC would not reduce the quantity of ethanol blended into gasoline since this is mandated by law. However, discontinuance of the VEETC has the potential to significantly alter the economics of ethanol producers.

I reserve the right to amend these opinions if subsequent information becomes available which would materially alter my findings.

JOHN B. O'BRIEN

Date: November 21, 2011

EXHIBIT 12



City of Fresno v Chevron U.S.A. Inc., et al.

Report of Christine T. Wood, Ph.D.

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November 18, 2011

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stations.⁵⁵ It is this existence of laws and regulations, and the enforcement thereof, that increases compliance with warnings that are disseminated about the safe handling of gasoline.

Summary and Conclusions

In summary, I offer the following opinions with a reasonable degree of scientific certainty:

The safety messages contained in warnings and other information about gasoline releases provided by defendants available to their customers are reasonable, adequate and sufficient to communicate the proper precautions for storing and handling gasoline, whether it contains MTBE or not.

The inclusion of additional or alternative information, such as that proposed by plaintiff, would not change the safety practices among service station operators.

The inclusion of additional warnings would dilute the message of a simple warning not to permit spills or leaks of gasoline, reducing its effectiveness.

⁵⁵ Deposition of Gary Beacom, 08/10/2011, pp. 22, 24, 72; Deposition of Garabed Bedirian, 04/04/2011, pp. 41-42; Deposition of David Benjamin, 08/09/2011, p. 33; Deposition of David D'Alessandro, 04/01/2011, pp. 66-67; Deposition of Jatinder Paul Dhillon, 08/11/2011, pp. 26-27, 59, 62-64; Deposition of Babak Lakestani, 08/09/2011, p. 36; Deposition of Bryan Leonard Moe, 08/17/2011, p. 43; Deposition of Joe Rebella, 03/15/2011, p. 40 (fire department); Deposition of Judy Rogers, 03/08/2011, pp. 35-37; Deposition of Jeetander Sethi, 07/13/2011, pp. 26, 47-48, 90-91



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